

***Agenda Item 5(d)***  
***April 27/21 EOC Meeting***

**Board-Approved CAFII Working Group On Industry Alignment Re Interpretation of FCAC's FCAC Appropriateness Guideline's Application To Authorized Insurance Products/CPI; and Potential Approaches to Compliance**

**Draft Terms of Reference**

**Mandate**

This Working Group will seek to develop a shared understanding of the application of the FCAC's Appropriateness Guideline to Authorized Insurance Products/Credit Protection Insurance as well as an industry level position on what would be an acceptable and implementable approach to industry compliance, from the perspective of the federal Financial Consumer Protection Framework (FCPF) and the provincial insurance regulatory framework, including Fair Treatment of Consumers principles.

**Process**

Based on the federal Financial Consumer Protection Framework (FCPF), the provincial insurance regulatory framework, including Fair Treatment of Consumers principles, and emerging regulatory developments, this CAFII Working Group will seek to

- Explore what would constitute an “appropriate” or “inappropriate” enrolment in CPI;
- Consider the information that would be required to determine whether a CPI enrolment was appropriate;
- Consider the changes required to current enrolment processes to account for the FCAC's appropriateness standard for CPI products; and
- Consider whether other CPI processes (i.e., outside of the enrolment) could be impacted by an FCAC appropriateness standard.

As the Working Group will launch at a time when the FCAC Appropriateness Guideline is not available to CAFII, the work outlined above is expected to be completed without reference to it. When a copy of the FCAC's Appropriateness Guideline is publicly available, the Working Group can then cross-reference its work against that document.

**Participants**

Martin Boyle (BMO Insurance) will serve as the Chair of the Working Group.

CAFII EOC and Board members will be invited to nominate up to two representatives per Member company to serve on the Working Group.

**Meetings**

Initially the Working Group will meet every second Wednesday from 2:30 to 3:30 p.m. via MS Teams.