

Agenda Item 5(a)
July 18/23 EOC Meeting

Insights Gained from July 4/23 Quarterly Virtual Meeting Between CAFII Board Chair Peter Thompson and AMF Superintendent, Client Services and Distribution Oversight Éric Jacob

From: Keith Martin <Keith.Martin@cafii.com>

Sent: Thursday, July 6, 2023 12:18 PM

To: CAFII Board, EOC, and Quebec/AMF Issues Committee Members

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Jake Becker <jake.becker@cafii.com>

Subject: Update on 4 July, 2023 Meeting between CAFII Board Chair Peter Thompson, and AMF Superintendent Eric Jacob

Hello CAFII Board, EOC, and Quebec/AMF Issues Committee Members:

CAFII Board Chair Peter Thompson held another very successful quarterly session with AMF Superintendent of Client Services and Distribution Éric Jacob on 4 July. Peter has summarized the meeting in a note, which I am forwarding to you to bring you up-to-speed on the outcomes of the meeting (see below my signature block). In addition to the note, I have had a debrief follow up meeting with Peter and am including some of the observations from that meeting in my highlights below. Notable takeaways from the meeting are:

- Another open, transparent, and collaborative meeting was held;
- Eric Jacob is very willing to assist in introducing CAFII members to the new AMF CEO Yves Ouellet, and we are exploring doing so at the AMF Liaison Lunch and Dialogue meeting in Montreal on 10 October, 2023;
- CAFII is proposing to present at that 10 October meeting its appreciation for the collaborative progress we have seen over the past year with the AMF, and the AMF is considering sharing its observation that CAFII members are making more progress on various files than is the case for other industries;
- On the spousal issue, Éric Jacob will follow up with Mario Beaudoin and Christian Beaulieu on options to resolve this issue, but he seemed very committed to finding a solution to the challenge, including possibly extending the 1 January, 2025 deadline.

On the spousal issue, I want to thank Dallas Ewen and Élyse Lemay of Canada Life, who provided a very helpful summary note on the issue that Peter was able to reference during his meeting with Mr. Jacob. Also on the spousal issue, it would be helpful to demonstrate to the AMF that even if we as an industry would not want to cancel remaining in-force spousal policies on 1 January, 2025, we have made progress in the past three years in running off these policies. I will be following up with members to see if I can be provided with some high-level trends on progress made through natural attrition of these policies.

Thank you,

--Keith

Keith Martin

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From: Thompson, Peter <Peter.Thompson@bnc.ca>

Sent: Tuesday, July 4, 2023 4:15 PM

To: Keith Martin <Keith.Martin@cafii.com>; Rob Dobbins <rob.dobbins@assurant.com>;
karyn.kasperski@rbc.com

Cc: Thompson, Peter <Peter.Thompson@bnc.ca>

Subject: CAFII-AMF Quarterly meeting

Good afternoon everyone,

I had a good call with Eric Jacob this morning. After spending a few minutes catching up, we spoke about the incoming CEO at AMF, Yves Ouellet. In fact, the official announcement/appointment by the government should occur tomorrow (this was to occur last week but a charged agenda prevented that from happening). While Eric Jacob does not know Yves Ouellet, he seemed to think that a fresh start with a new seasoned leader would be quite positive.

This segued into a first discussion point which was when he thought a good meeting time with the new CEO might be. I mentioned that the October 10, 2023 CAFII-AMF meeting in Montreal might be a good opportunity where many of our board members would be present. I informed him that I believed the meeting would precede our scheduled board meeting (2:30-4pm), such that similar to last year, it would probably involve a combined lunch and meeting from noon until 2pm. I said this would probably be better than a meeting at 4pm as many members would be catching flights back to Toronto. He liked the idea and made a note of it to see if possible once his new boss arrives.

We then discussed the potential content of the October meeting. I mentioned that from CAFII's end, we had planned to spend time recognizing/thanking the AMF for the enhanced collaborative meetings we have had this past year which we feel were very helpful in improving understanding and helping all concerned make some good progress on files of mutual interest. Eric liked the idea and mentioned that they too could present from their end similar findings showing the industry was making progress relative to other industries where progress seemed slower. He clearly seemed to think that this could be a good way for the new CEO to be introduced to our industry.

Finally, I was able to outline the key area of concern our members have relative to spousal insurance coverage (ie. Needing to cancel by January 1st, 2025, coverage for spouses where there was no “pecuniary interest”, according to the AMF’s interpretation - - these individuals having been provided coverage prior to December, 2019, since the industry has stopped offering spousal coverage since then).

I explained the risk of litigation and very poor customer experience that would result from such an approach. I also explained that the runoff of these existing coverages was probably not as rapid as initially expected. While he did say he would meet with his team to more fully understand the reasoning behind the interpretation and the AMF’s primary objectives around this file, he immediately suggested that if industry were able to demonstrate “progress” in terms of runoff, that he felt there might be a solution to be found (example, extend for another 5 years or something similar). I told him a request had been made of members to provide some data around numbers and that this would probably be available for a meeting with the right people from CAFII and AMF.

Next step: Eric will speak with Christian Beaulieu and Mario Beaudoin about this file to better understand. Christian and Mario will then provide to Keith potential dates to meet with the appropriate CAFII people.

This is a brief summary of our discussion. I am happy to give more color as needed.

Regards,

Peter

Peter D. Thompson



Peter D. Thompson

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