

CAFII Executive Operations Committee Teleconference-Only Meeting

Tuesday, 25 Aug, 2020, 2.00-3.30pm

Minutes

EOC Present:

BRENDAN TO CONFIRM AND COMPLETE

Martin Boyle, BMO Insurance and EOC Chair
Rob Dobbins, Assurant Canada
John Lewsen, BMO Insurance
Sharon Apt, Canada Life Assurance
Ben Gray, CIBC Insurance
Louise Nash, CIBC Insurance
Michelle Costello, CUMIS/The Co-operators
Marie Nadeau, National Bank Insurance
Charles MacLean, RBC Insurance
Karyn Kasperski, RBC Insurance
Vivek Sahni, RBC Insurance
Emily Brown, Sun Life
Andrea Stuska, TD Insurance
Kamana Tripathi, TD Insurance
Pete Thorn, TD Insurance
Tony Pergola, ScotiaLife Financial and CAFII Treasurer (for part)
Aneta Murphy, ScotiaLife Financial
Brad Kuiper, ScotiaLife Financial

Also Present:

Brendan Wycks, CAFII *Co-Executive Director*
Keith Martin, CAFII *Co-Executive Director*
Albert Lin, CAFII/Managing Matters

1. Call to Order

M. Boyle called the meeting to order at 2:02 pm.

2. Consent Items

The following consent Items that do not require any discussion or decisions were tabled:

- Consultations/Submissions Timetable;
- Regulator and Policy-Maker Visit Plan;
- Summary of Board and EOC Action Items;
- Summary of Survey Results Providing Feedback On July 21/20 CAFII Webinar.

3. Financial Management Matters

3.a. CAFII Financial Statements as at July 31/20

Treasurer T. Pergola indicated that CAFII continues to trend towards a larger than budgeted surplus for the 2020 fiscal year due to lower expenses associated with the COVID-19 pandemic, which have more than offset slightly lower than expected revenue for the year.

3.b. Forecast For CAFII 2020 Fiscal Year as at July 31/20

Treasurer T. Pergola reported that as at July 31, CAFII was now forecasting a surplus of \$57,000 for the 2020 fiscal year, which was a direct result of lower expenses due to reduced activities because of COVID-19.

4. Committee Updates

4.a. Research & Education

4.a.i. Features/Highlights Of Pending New Proposal For CAFII 2020 Consumer Research With Pollara Strategic Insights

R&E Committee Chair A. Stuska provided an update on the status of 2020 CAFII research. Currently, the focus is on a possible consumer survey of the attitudes of consumers before and after COVID-19 on interacting with insurance companies for CPI digitally, as well as their perceptions as to whether their CPI providers had made digital tools more accessible and easier to use. To make this comparison, it was suggested that consumers be surveyed on these issues in two groups, one being those who had obtained CPI before the March 2020 pandemic, the other being those who had obtained CPI after March 2020.

It was noted that because financial institutions needed a bit of time to adjust to the new digital requirements after the March 2020 initial declaration of a pandemic, perhaps the second group should be surveyed from April 2020 on. Keith Martin noted that even if there is other research that is or will be conducted on digitization shifts due to the pandemic, CAFII research on this topic allows us to share this information with regulators, potentially get some media coverage, and add rich content to our website.

It was agreed that an updated research proposal from Pollara, which had just been received, would be reviewed by the R&E Committee and then shared with the full EOC, with a recommendation. Part of the challenge of this research is that Pollara estimates that only 3% of Canadians have obtained CPI since March 2020, so the sample size for that group is very limited.

[Action Item: Share Pollara proposal with a recommendation to the EOC; K. Martin, early September/20.]

4.b. Media Advocacy

4.b.i. Storyboard For CAFII Motion Graphic Website Video On Credit Protection Critical Illness Insurance and Disability Insurance

K. Martin reported that the storyboard (the words) for the CAFII website video on credit protection critical illness insurance and disability insurance is now complete, and Operatic Agency (formally RankHigher) is now working on the visuals. A draft of these should be complete in the next few weeks, at which time they will be circulated to the EOC for review and comment.

[Action Item: Share draft visuals for CAFII website video with EOC; K. Martin, September 30/20.]

4.b.ii. CAFII Website Enhancement Prototype To Effect Board Request Re Facilitating Consumers' Filing Of Credit Protection Insurance and Travel Insurance Claims With CAFII Members

K. Martin reported that a new section of the CAFII website on how to make a claim is now largely complete. As soon as some final edits are made, a prototype will be circulated to the Board and copied to the EOC, for final approval, after which it will be published on the website. A link to the new section of the website will be on the COVID-19 information pop-up box that appears when one visits the CAFII website, for the duration of the pandemic. The new section will exist as a permanent feature of the website.

[Action Item: Share final prototype of new claims section of CAFII website with Board and EOC, for approval; K. Martin, early September 30/20.]

4.c. Market Conduct & Licensing

4.c.i. FCNB Informal Consultation On Accident & Sickness Insurance-Related Changes To New Brunswick's Insurance Act

B. Wycks reported that David Weir of FCNB had asked CAFII for its input on some issues related to New Brunswick's revision of its Insurance Act. CAFII has until the end of September to share its views, and B. Wycks will follow up with a critical path with dates for input from Market Conduct & Licensing Committee and EOC members.

[Action Item: Share critical path on New Brunswick consultation with EOC members; B. Wycks, early September 22/20.]

4.cii. FCNB's Planned Next Steps For Introducing An RIA Regime In New Brunswick

B. Wycks updated EOC members on recent developments in the FCNB's intention to introduce a new RIA regime in New Brunswick.

4.d. Travel Medical Insurance Experts

No report at this time.

4.e. Networking & Events

4.e.i. Just-Completed CAFII August 25/20 Webinar On COVID-19's Impact Upon Insurance Policy and Regulation: Now And Post-Pandemic, With A Focus On Insurance Licensing Considerations

EOC members provided positive feedback on the webinar held earlier this day with three senior regulators. It was noted that recordings of both the August 25, 2020 and July 28, 2020 CAFII webinars would be posted on the Association's website. A transcript was also produced of the July 28/20 webinar, and EOC members were asked for their feedback on whether the transcript should be translated into French at a cost of approximately \$2,000, and posted on the website as well. Some concerns expressed that producing a transcript of the proceedings might make regulators in CAFII webinars hesitant to be candid, and further consideration of this idea was suggested before proceeding.

4.e.ii. Plans For Tuesday, September 29/20 CAFII Webinar

B. Wycks provided an update on plans for a third summer 2020 CAFII webinar on 29 September, 2020 with Superintendent of Insurance officials from the three prairie provinces. The three panelists have all confirmed and the final touches are being made to the invitation e-blast.

4.e.iii. Repurposing CAFII 2020 Annual Members' Luncheon Into A Webinar On Wednesday, October 21/20, Based On Response Received From FCAC Commissioner Judith Robertson's Office

B. Wycks reported that the FCAC has informed CAFII that Frank Lofranco, who recently joined FCAC as Deputy Commissioner, Supervision and Enforcement, will be making the Annual Members' Luncheon presentation to the audience of CAFII Member and Associate representatives on 21 October, 2020. This will now be a webinar event, and the final details are currently being arranged.

5. Recent and Upcoming Strategic and Regulatory Initiatives

5.a. CAFII Board Member Proposal Related To FCAC's Upcoming "Appropriateness Test" (Related To Product Suitability)

K. Martin reported that he and B. Wycks recently met with Board Chair C. Lobbezoo and Board Vice-Chair P. Thompson, about a proposal from CAFII Board Member Z. Fuerstenberg that CAFII do some work on the FCAC's intention to develop a new "appropriateness" test for financial products, .

C. Lobbezoo and P. Thompson supported the proposal, and felt that EOC members should initially be asked to canvas their own organizations internally to see what work had been done already, and then share this information with the EOC. EOC members were asked to conduct this effort and share their findings with the EOC and the Co-Executive Directors in the next EOC meeting on September 22/20.

5.b. Opportunity For CAFII To Make A Submission In Response To Competition Bureau of Canada's Consultation On "Competitor Collaboration Guidelines"

B. Wycks reported that the Competition Bureau of Canada was currently conducting a stakeholder consultation on new guidelines around competitor collaboration. EOC feedback was that this was out-of-scope for CAFII and the Association should not make a submission.

5.c. Opportunity For CAFII To Make A Submission In Response To Ontario Government Consultation To Improve And Enhance Province's Privacy Protection Laws

B. Wycks reported that the Ontario Government was currently conducting a public consultation on the province's privacy law. EOC feedback was that we should see what CLHIA was planning to submit, and that CAFII should only make a submission if it had something substantive to contribute. It was suggested that if a submission was made, the importance of harmonized standards across provinces would be an important point to make.

5.d. AMF Response To CAFII "Creative Solutions" Submission To AMF On Degree To Which Industry Can Meet Its Requirements Around RADM's Application To Credit Card-Embedded Insurance Benefits

B. Wycks reported that no response had been received from the AMF to date on CAFII's submission on this matter.

5.e. Release Of Q2 Report From CAFII Quarterly CPI Benchmarking Study With RSM Canada; and Launch of Q3 Report Data Gathering

K. Martin reported that there were some delays in the initial launch of the CAFII quarterly benchmarking study with RSM Canada, mostly around data collection and processes, but these have now been ironed out and going forward the quarterly reports will be produced on a timely basis.

5.f. CCIR/CISRO FTC Working Group Response TO CAFII Letter Responding To Its Request That CAFII Undertake A Third Party-Conducted Survey And Provide A Report On CAFII Member-Utilized Incentives and Compensation Models

B. Wycks reported that no response has been received to date from the CCIR/CISRO FTC Working Group on CAFII's July 2/20 letter submission, which indicated that if the FTC Working Group wishes to receive information about incentives and compensation models being used in-market by CAFII CAFII FI distributors of insurance, it should do so by reaching out individually and directly to those members.

5.g. CAFII Summer 2020 Virtual Meeting With CCIR/CISRO FTC Working Group: Wednesday, September 2/20, 2:00 to 3:00 p.m. EDT

B. Wycks noted that a meeting had been set up with the CCIR/CISRO FTC Working Group for Wednesday, 2 September, 2020 and an agenda would be circulated to EOC members prior to the meeting.

[Action Item: Circulate an Agenda for the meeting to EOC members; B. Wycks, prior to September 2/20.]

5.h. Impact Of COVID-19 On CAFII Members, Credit Protection Insurance and Travel Insurance

5.h.i. Travel Insurance-Related Comments Made and Actions Proposed by Quebec's Justice Minister On August 19/20

B. Wycks reported that that Quebec's Justice Minister Monsieur Jolin-Barrette had made some negative, ill-informed comments about the travel insurance industry before a National Assembly committee on August 19/20, and an EOC discussion ensued as to whether CAFII should respond. It was noted that the CLHIA's Quebec division, ACCAP, was engaged on this issue and was planning to send a letter to the Minister. CAFII will follow-up with ACCAP and then consider what further action, if any, to take.

[Action Item: Obtain ACCAP's submission to the Quebec Justice Minister; B. Wycks, August 31/20.]

5.h.ii. Highlights Of August 20/20 Meeting Of CAFII Directors and Designates COVID-19 Information-Sharing Group

K. Martin reported that while members of the CAFII COVID-19 Directors and Designates COVID-19 Information-Sharing Group are still finding the meetings valuable, it was felt that they did not need to be held as frequently. It was agreed that a further 30-minute meeting would be held six weeks out from the most recent August 20/20 meeting, as opposed to a monthly frequency.

5.h.iii. Insights Gained From CAFII/CLHIA/THIA Weekly Calls Re Impact Of COVID-19 On Travel Insurance Industry

B. Wycks reported that among the highlights of the most recent weekly meetings of CAFII, CLHIA, and THIA on COVID-19's impact upon the travel insurance industry was information from Global Affairs Canada that the Canada-U.S. border will not be re-opened within the foreseeable future. Global Affairs Canada has also indicated that it will not bow to pressure to limit or loosen its travel advisories.

5.i. Scheduling Of CAFII Get-Acquainted-And-Dialogue Meeting With Frank Lofranco, FCAC Deputy Commissioner, Supervision and Enforcement

B. Wycks reported that CAFII is engaged in discussions with FCAC officials about a get-acquainted and dialogue meeting with Frank Lofranco, FCAC's recently Deputy Commissioner, Supervision and Enforcement. When a date and time for the meeting is finalized, CAFII Board and EOC members will be invited to join the meeting.

[Action Item: Invite Board and EOC Members to the get-acquainted and dialogue meeting with FCAC Deputy Commissioner Frank Lofranco; B. Wycks, September 15/20.]

5.j. Launch of Saskatchewan RIA Advisory Committee: Next Steps Emanating From Recent CAFII Meetings With CLHIA

B. Wycks reported that CAFII and CLHIA are now moving forward with developing lists of proposed nominees for appointment by the Insurance Councils of Saskatchewan to the initial Saskatchewan RIA Advisory Committee.

6. Governance Matters

6.a. Draft Minutes of July 21/20 EOC Teleconference Meeting

The draft minutes of the 21 July/20 EOC teleconference meeting were approved.

7. Other Business

7.a. EOC Feedback on CAFII "Weekly Digests"

Deferred to EOC's next meeting on September 22/20.

8. Adjournment

The meeting was adjourned at 3:30 p.m.