

**CAFII Executive Operations Committee Virtual Meeting**

**Tuesday, January 26, 2021**

**Minutes**

**EOC Present:**

**EOC Present:**

Rob Dobbins, Assurant (Chair)  
Tony Pergola, ScotiaLife Financial (Treasurer)  
Anchal Gulia, Sun Life  
Anaar Jessa, Sun Life  
Ben Gray, CIBC Insurance  
Charles MacLean, RBC Insurance  
Monika Spudas, Manulife  
Edward Kuo, Sun Life  
Martin Boyle, BMO Insurance  
Dana Easthope, Canadian Premier Life  
Michelle Costello, CUMIS  
Sharon Apt, Canada Life Assurance  
Emily Brown, Sun Life  
Pete Thorn, TD Insurance  
Isabelle Choquette, Desjardins  
Diane Quigley, CUMIS/The Co-Operators  
Corinna Goggin, CUMIS  
Brad Kuiper, ScotiaLife Financial  
Penelope Cordogiannis, RBC Insurance  
Casandra Litniansky, CUMIS/The Co-Operators  
Kamana Tripathi, TD Insurance  
Karyn Kasperski, RBC Insurance  
Scott Kirby, TD Insurance  
Dallas Ewen, Canada Life Assurance  
Moirra Gill, TD Insurance  
Afzal Baig, TD Insurance  
Andrea Stuska, TD Insurance  
Anita Mukherjee, RBC Insurance

**Also Present:**

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

**1. Welcome, Call to Order, and Priority Matters**

**1.a. Call to Order and Opening Remarks**

New EOC Chair and Board Secretary Rob Dobbins called the meeting to order at 2:02 p.m., and thanked EOC members for the opportunity to serve as Chair.

### **1.b. Welcome to Rob Dobbins as New EOC Chair**

Brendan Wycks and Keith Martin thanked Rob Dobbins for taking on the leadership role of EOC Chair and Board Secretary at this time; and both noted that they were looking forward to working closely with Mr. Dobbins.

### **1.c. Welcome to New EOC Members**

Rob Dobbins welcomed three new members of the EOC from Sun Life: Edward Kuo, Aanchal Gulia; and Anaar Jessa. Each was given the opportunity to introduce themselves to the Committee.

## **2. Consent Items**

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

- Consultations/Submissions Timetable
- Regulatory Update
- Regulator and Policy-Maker Visit Plan
- Summary of Board and EOC Action Items
- CAFII/CLHIA Joint Response Submission To FCNB On Contemplated Changes to New Brunswick Insurance Act With Respect To Payment Of Insurance Monies To A Minor
- CAFII/CLHIA Joint Submission To Insurance Councils Of Saskatchewan On Nominees For Appointment To Saskatchewan Restricted Insurance Agent Advisory Committee
- Board-Approved Schedule Of CAFII 2021 Meetings And Events

## **3. Financial Management Matters**

### **3.a. CAFII Financial Statements as at December 31/20 (full 2020 fiscal year)**

CAFII Treasurer Tony Pergola provided an overview of both the CAFII financial statements for the month of December 2020, as well as the Association's financial results for the full 2020 fiscal year. In December 2020 CAFII had \$74,000 in revenue, \$58,000 in expenses – producing a surplus of \$16,000 which was a favourable variance of \$5,000 with respect to the December budget.

For the full fiscal 2020 year, CAFII's revenue was \$885,000, its expenses were \$731,000, and its surplus was therefore approximately \$154,000, a favourable variance to the budget of \$129,000. Revenue was lower than budgeted by \$24,000 because three Associates did not renew and the two new Associates that CAFII hoped to secure did not materialize. Expenses were mostly lower due to travel and in-person events being cancelled due to the pandemic, slightly offset by \$9,000 in additional legal costs for work done by Norton Rose on the AMF file. As well, some budgeted 2020 expenses are for work that will now be done in 2021, so those expenses related to a second website video and a portion of the Pollara consumer research study will be incurred in 2021.

### **3.b. Board-Approved CAFII 2021 Operating Budget**

Treasurer Tony Pergola presented the 2021 CAFII Operating Budget which the Board had approved at its December 1/20 meeting, noting that while no provision has been made for in-person events or travel in 2021, a \$50,000 contingency fund has been included in the budget so that such activities could be funded if circumstances permit their occurrence in the latter part of the year.

### **3.c. Critical Path With KPMG For CAFII 2020 Fiscal Year Audited Financial Statements**

Brendan Wycks briefly highlighted from the Critical Path With KPMG For CAFII 2020 Fiscal Year Audited Financial Statements, which had been included in the materials package for this meeting.

### **3.d. Dissemination of 2021 First Instalment CAFII Member Dues Invoices**

Brendan Wycks advised that the first of two installments for the 2021 member dues would be sent out in the first week of February.

## **4. Committee Updates**

### **4.a. Research & Education**

#### **4.a.i. CAFII 2020/21 Consumer Research Project With Pollara Strategic Insights: Progress Report**

Andrea Stuska, Chair of the Research & Education Committee, reported that much progress had been made on finalizing the questionnaire for the Pollara consumer research study on digitization. Keith Martin advised that the EOC had an opportunity to review the research in a meeting with Pollara's lead Lesli Martin on 22 January 2021, and that the questionnaire was close to being finalized. The intention was to go to field in February, with the results report being delivered to CAFII in March. Andrea Stuska thanked the Working Group on the questionnaire for all their hard work and insights.

### **4.b. Media Advocacy**

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

Keith Martin reported that CAFII has been working with its website consultant Operatic Agency (formerly RankHigher) on its 2020 website enhancement plan, including the production of the first of two motion graphic videos, on credit protection critical illness insurance and credit protection disability insurance.

CAFII is currently entering the visual production phase of the video. A near-final pre-production version of the video on Vimeo was circulated to all EOC members for review and critical/show-stopper issue feedback on Thursday, 21 January, 2021 with a Wednesday, 27 January, 2021 deadline for feedback. It is expected that CAFII will be able to complete and publish the video in February 2021.

*[Action Item: Distribute French version of the video to EOC members for feedback; K. Martin, February 2021.]*

#### **4.b.ii. February 3/21 Operatic Agency Presentation On 2020 CAFII Website Search Engine Optimization and Related Performance Metrics**

Keith Martin reported that CAFII's search engine optimization firm Operatic Agency tracks website metrics including how high CAFII ranks on credit protection insurance term search results. Operatic Agency's President Chris Barrett will be providing a virtual presentation for CAFII member representatives on the key measures of how CAFII's website performed in 2020 on 3 February, 2021.

#### **4.c. Market Conduct & Licensing**

Brad Kuiper, Chair of the Market Conduct & Licensing Committee, provided a high-level overview of the regulatory submission issues that CAFII is currently working on.

##### **4.c.i. FSRA Consultation on Proposed Rule [2020-002] – Unfair or Deceptive Acts or Practices, with March 18/21 Submission Deadline**

Keith Martin reported that FSRA is replacing an existing FSCO regulation on Unfair or Deceptive Acts or Practices with a new Rule of its own, which will give it more flexibility to enforce its expectations and provide greater clarity on expectations of the industry. CAFII intends to make a formal written submission in response to this consultation, with some prior comments from the EOC suggesting that we will be largely supportive of this initiative. A key message to FSRA will be to make the language and clauses in the UDAP rule fully consistent with existing language and clauses in other FSRA regulations, including the *CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers*.

*[Action Item: Distribute critical path for CAFII's response submission on FSRA's proposed UDAP Rule, and first draft of that submission; B. Wycks, K. Martin, February 2021.]*

##### **4.c.ii. Imminent AMF Consultations on Updated Sound Commercial Practices Guideline and Draft Regulation Respecting Complaint Processing**

Keith Martin reported that the AMF has let CAFII know that it will soon be releasing formal public consultations on two initiatives: updates to its Sound Commercial Practices Guideline (2013); and a new Regulation respecting Complaint Processing.

CAFII will be monitoring these two AMF consultations carefully and making submissions in response to both. We have not yet seen any posting on the AMF website around these consultations. The AMF originally suggested that it would likely be posting the documents, for a 60-day consultation, in late November 2020, but that did not happen.

##### **4.c.iii. CAFII Board Direction On Possible Follow-Up With AMF Re CAFII's July 7/20 "Creative Solutions" Submission on Degree to Which Industry Can Meet AMF's Requirements Around RADM's Application to Credit Card-Embedded Insurance Benefits**

Keith Martin reported the CAFII Board provided clear direction at its 1 December, 2020 meeting that it does not want CAFII to reach out to the AMF and ask for an update on its response to our Association's "creative solutions" submission of 7 July, 2020. CAFII has made the submission and the ball is now in the AMF's court. In the absence of a response from the AMF, it is the Board's view that CAFII members do not need to do anything further.

##### **4.c.iv. Insights Gained From November 25/20 Sectoral Advisory Committee (SAC) For Life and Health Insurance Virtual Meeting With FSRA Board**

Keith Martin noted that the FSRA's Sectoral Advisory Committee (SAC) for Life and Health Insurance met on 25 November, 2020. This EOC meeting's consolidated package included a briefing note with details on some of the insights gained at that FSRA SAC meeting. Mr. Martin also noted that a very important development at FSRA is that Erica Hiemstra, who worked for 21 years at CLHIA before joining Sun Life in 2019, had left Sun Life in early November 2020 to join FSRA's staff team, effective Monday, November 16 2020, as Director, Insurance within Huston Loke's Market Conduct Division.

Ms. Hiemstra managed credit protection insurance files for CLHIA, and has intimate knowledge of credit protection insurance products and regulatory concerns and preoccupations around these products.

Mr. Martin advised that CAFII had developed a strong relationship with FSRA, which was evidenced in part by the fact that FSRA had acted on CAFII's recommendation that it increase its presence in the International Association of Insurance Supervisors (IAIS). FSRA Chair Bryan Davies reported at the recent SAC meeting that FSRA had applied for and been accepted into IAIS membership.

#### **4.d. Travel Medical Insurance Experts**

##### **4.d.i. Reactivation of CCIR Travel Insurance Working Group (TIWG) and Consultation With Industry Around Reforms Needed To Trip Cancellation Component of Travel Insurance; and Tweaks To Travel Insurance Data Gathered Via CCIR's 2022 Annual Statement on Market Conduct**

Afzal Baig, Chair of the Travel Medical Insurance Experts Working Group, noted that CCIR's Travel Insurance Working Group (TIWG) had recently been reactivated and had begun discussions around reforms needed to the trip cancellation component of travel insurance. In addition, tweaks were being discussed on the travel insurance-related questions/data requests which would be included in CCIR's 2022 Annual Statement on Market Conduct. Mr. Baig noted that the industry was working hard to explain to the TIWG that some of the questions being asked of industry were not possible to answer, as many in the industry do not collect the data that is being requested.

#### **4.e. Networking & Events**

##### **4.e.i. Plans For CAFII Webinars In Q1 and Q2 of 2021**

Keith Martin reported that the Co-Executive Directors are working with the Networking & Events Committee on plans for more CAFII webinars in 2021. Scott Kirby is currently the only member of this Committee, and EOC members were encouraged to volunteer to serve on this Committee if they have an interest in this area.

#### **5. Recent and Upcoming Strategic and Regulatory Initiatives**

##### **5.a. Launch Of Working Group To Upgrade Data Collected and Report Produced By CAFII Quarterly CPI Benchmarking Study With RSM Canada**

Keith Martin reported that with the co-operation and direct participation of RSM Canada, CAFII was in the process of launching a new *Working Group To Upgrade Data Collected and Report Produced By CAFII Quarterly CPI Benchmarking Study With RSM Canada*. All participants in the Working Group have sent CAFII management an email confirming that they have read, understood, and will comply with the Stikeman Elliott guidelines on competition law that the Working Group must follow. RSM Canada will be communicating with Working Group members about the next steps soon.

**5.b. EOC Intelligence/Information-Sharing Re Internal Work Being Done Or Planned Re FCAC's Development Of "Appropriateness Guideline" for Financial Products and Services; and Next Steps in Board-Requested EOC Engagement on This Issue**

Keith Martin reminded EOC members that at the 15 October, 2020 CAFII Board meeting, the Board requested that CAFII closely monitor the FCAC's work on the development of an "Appropriateness Guideline"; and in particular, **that the EOC members collect information about what work is being done on this file internally within their organizations, and share this with CAFII's Co-Executive Directors.**

It was also noted that the Board did not want CAFII to engage directly with the FCAC on this matter right now, but did want the key arguments for why credit protection insurance should not be subject to an Appropriateness Guideline to be developed and kept "in our back pocket" in case these arguments need to be sent to the FCAC. There was a robust discussion on the likelihood of the Appropriateness Guideline applying to credit protection insurance, with the view expressed that the Guideline would likely be very high-level and not prescriptive.

*[Action Item: Develop arguments for why the FCAC's soon-to-be-developed Appropriateness Guideline should not apply to credit protection insurance; K. Martin, February 2021.]*

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

Brendan Wycks noted that CAFII had learned that the federal government was giving consideration to imposing a Level 4 Travel Advisory (the current Level 3 Travel Advisory advises against travel that is non-essential; a Level 4 Advisory would advise against any travel.) The Canada-U.S. border, it was learned, was expected to remain closed for the foreseeable future.

**5.d. Launch of Saskatchewan RIA Advisory Committee**

Brendan Wycks reported that Ron Fullan of the Insurance Councils of Saskatchewan (ICS) had responded favourably that ICS would be moving forward to launch the RIA Advisory Committee in early 2021 with all seven (7) industry nominees being appointed as its founding members. Three of the seven appointees are CAFII nominees (Moir Gill, Charles MacLean, and Shawna Sykes) and four of the seven appointees are CLHIA nominees; however, three (Emily Brown, Sharon Apt, and Greg Shirley) of the four CLHIA nominees are also actively involved in CAFII.

**6. Governance Matters**

**6.a. Preparation For February 11/21 CAFII Board Special Purpose Meeting To Review and Update CAFII Strategic Plan, Including Development of a Pre-Read Document**

Keith Martin recalled that CAFII's Board adopted a Three-to-Five-Year Strategic Plan for the Association in February 2018. With the passage of time, the Board has requested an opportunity to review the plan and see if updates or changes to it are required. There will be a one-hour Special Purpose Board Meeting on 11 February, 2020 to engage in this review.

Keith Martin shared the major themes of the Strategic Plan Review Pre-Read Document, including some of the areas where the Board may wish for a new priority to be included in the Strategic Plan.

**6.b. Board Admission Of A New CAFII Member and Appointment of A New CAFII Director In Early 2021**

Brendan Wycks reported that CAFII has had Canadian Premier Life Insurance (CPL) as a long-time Regular Member of the Association, but for the past several years, the Board member representing that organization has been Nicole Benson from CPL's affiliate company Valeyo. Because both Canadian Premier Life and Valeyo now wish to be CAFII members with each having their own Board member, Valeyo will be joining CAFII and Rob Robinson from Canadian Premier Life will become the Board member from CPL.

A formal Written Resolution will be sent via email to the 13 existing CAFII Directors, for them to vote on and approve these changes. As per CAFII's Bylaw, a Written Resolution requires participation by all Directors and unanimous approval in order to pass. As a result of this change, CAFII will then have 14 members and a new, lower-tier dues paying member.

**6.c. Draft Minutes of November 17/20 EOC Meeting**

The draft minutes of the November 17, 2020 CAFII EOC teleconference meeting were approved.

**6.d. Draft Minutes of December 1/20 Board Meeting**

The draft minutes of the December 1, 2020 CAFII Board meeting were approved.

**6.e. CAFII Marketing/Outreach For Attracting New Associates**

Keith Martin and Brendan Wycks reported that CAFII had developed over the past year, with EOC and Board engagement and approval, an enhanced value proposition for Associates; and, as a result, they had made an outreach to prospective new Associates in December 2020. Three of these prospects had now indicated that they intended to join CAFII as new Associates in 2021: Dog and Pony Studios; RSA Canada; and Stikeman Elliott.

**6.f. Application Review and Admission of RSA as a New CAFII Associate**

This item was deferred to the 23 February, 2021 EOC meeting as a completed CAFII Associate Status Application Form from RSA Canada was not received in time for this meeting.

**6.g. Application Review and Admission of Dog and Pony Studios as a New CAFII Associate**

The EOC unanimously approved the admission of Dog and Pony Studios as a new CAFII Associate.

**6.h. CAFII Recognition For Recently Retired EOC Member And Past-EOC Chair John Lewsen**

Brendan Wycks noted that an email would be sent shortly to EOC members inviting them to sign an e-card to congratulate and thank recently retired EOC member John Lewsen.

**8. Other Business**

There being no other business, the EOC meeting was terminated at 3:55 p.m.