

CAFII Executive Operations Committee Teleconference-Only Meeting

Tuesday, November 17, 2020, 2-4pm

Minutes

EOC Present: Martin Boyle, BMO Insurance
Anuraj Bains, CIBC Insurance
Dana Easthope, Canadian Premier Life
John Lewsen, BMO Insurance (for part)
Michelle Costello, CUMIS Services Inc.
Sharon Apt, Canada Life Assurance
Emily Brown, Sun Life
Pete Thorn, TD Insurance
Marie Nadeau, National Bank Insurance
Diane Quigley, CUMIS Services Inc.
Tony Pergola, ScotiaLife Financial, Treasurer
Shawna Sykes, CUMIS/The Co-Operators
Brad Kuiper, ScotiaLife Financial
Charles Blaquiere, Valeyo
Andrea Stuska, TD Insurance
Penelope Cordogiannis, RBC Insurance
Anita Mukherjee, RBC Insurance
Casandra Litniansky, CUMIS Services Inc.
Kamana Tripathi, TD Insurance
Karyn Kasperski, RBC Insurance
Scott Kirby, TD Insurance
Dallas Ewen, Canada Life Assurance
Moir Gill, TD Insurance
Rob Dobbins, Assurant

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

CAFII Co-Executive Director B. Wycks moderated the meeting, and called the meeting to order at 2:02 p.m.

(Partway through the meeting, J. Lewsen (BMO Insurance) joined the call, and Mr. Wycks noted that CAFII had recently learned that Mr. Lewsen would be retiring at the end of November 2020 and this would therefore be the last EOC meeting he would attend. Mr. Wycks noted that Mr. Lewsen was the EOC's longest serving member, that he had been a past-EOC Chair, and had made numerous important contributions to the Association. Mr. Lewsen made comments about his enjoying his roles within CAFII, and EOC members thanked

him for his strong leadership contributions to the Association over many years, congratulated him on his imminent retirement, and wished him all the best for the future.)

1.b. EOC Chair Succession

B. Wycks noted that CAFII was currently in discussions with a well-qualified candidate to succeed M. Boyle in the Board Secretary and EOC Chair role, and an update on this should be available soon.

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 Response Submission on FSRA's Fiscal Year 2021-22 Proposed Statement of Priorities and Budget

3. Financial Management Matters

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

Treasurer T. Pergola reported that CAFII's financial position was strong, with October revenue of \$73,000, expenses of \$45,000, and a monthly surplus of \$28,000. Year to date revenue was \$737,000, expenses were \$588K, resulting in a year-to-date surplus of \$149,000, resulting mainly from lower spending due to COVID-19 in-person restrictions.

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

Treasurer T. Pergola reported that CAFII was now forecasting 2020 year-end revenue of \$885,000, expenses of \$774,000, resulting in a \$111,000 fiscal year surplus, and financial reserves of 44% of annual operating expenses as at December 31, 2020.

3.c. Draft 2 of CAFII 2021 Operating Budget

Treasurer T. Pergola advised that CAFII was proposing two scenarios for consideration for the 2021 Operating Budget: one with no in-person events occurring during the year, and the other with limited in-person events happening in 2021. The EOC approved recommending to the Board the scenario with no in-person events, but also to include a \$50,000 contingency so that if in-person events are permitted again in the latter stages of the year, that would be provided for in the budget.

4. Committee Updates

4.a. Research & Education

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

A. Stuska, Chair of the Research & Education Committee, provided an update of the current CAFII consumer research project with Pollara Strategic Insights, noting that several one-hour meetings had recently been held between the R&E Committee and Pollara's L. Martin to review the draft survey questionnaire in detail. The intention was to prolong the shelf life of the research by only going to field in early 2021, so it can be viewed as 2021 research as opposed to 2020 research. When the questionnaire is complete, the EOC will be sent a copy with an opportunity for feedback.

[Action Item: Send penultimate draft of the Pollara consumer research questionnaire on CPI and digitization to EOC members, with a request for high level feedback; K. Martin, January 31/21.]

4.b. Media Advocacy

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

C. Blaquiere, Chair of the Media Advocacy Committee, advised that CAFII had approved the script for the video on credit protection critical illness insurance and disability insurance, and was now working with Operatic Agency on the visuals.

4.b.ii. Distribution to Insurance Regulators and Policy-Makers of Announcement Re Fair Treatment of Customers Enhancement to CAFII Website: New Claims Facilitation Section

K. Martin reported that CAFII had sent an announcement about the new claims facilitation section on the CAFII website to over 200 insurance regulators and policy-makers across Canada.

4.c. Market Conduct & Licensing

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

B. Kuiper, Chair of the Market Conduct & Licensing Committee, reported that CAFII was waiting for the AMF to release its formal consultation documents on updates to its Sound Commercial Practices Guideline and a new Draft Regulation Respecting Complaint Processing. CAFII will make submissions in response to both of those consultations, he advised.

4.c.ii David Weir, FCNB Request For Follow-Up CAFII Response Submission On New/Further New Brunswick Insurance Act Rewrite Questions

B. Wycks advised that David Weir of the FCNB has asked CAFII and CLHIA for further input on the New Brunswick Insurance Act rewrite. CAFII will be submitting a joint response with CLHIA to

Mr. Weir's follow-up questions about how best to update his province's Insurance Act to deal with issues related to the payment of insurance monies to a minor where a trustee has not been named.

4.c.iii. Possible CAFII Direct 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

K. Martin asked EOC members for guidance on what next steps, if any, CAFII should take given the lack of any response from the AMF to the Association's 7 July, 2020 "creative solutions" submission on how the industry can respond to the AMF's expectations related to its Regulation respecting Alternative Distribution Methods' (RADM) applicability to credit card-embedded insurance benefits.

The EOC strongly expressed the view that in the absence of specific feedback from the AMF, CAFII members should not be expected to conform to the view that credit card-embedded insurance benefits are covered by the RADM; and further, that CAFII should not reach out to the AMF for a response, but rather should do nothing.

4.d. Travel Medical Insurance Experts

B. Wycks reported that H. James, Chair of CCIR's Travel Insurance Working Group (TIWG), and his regulator colleagues are intending to add further travel health insurance questions to the Year 6 (2022) Annual Statement on Market Conduct (ASMC). There is concern that while the industry was being expected to respond to such questions on the ASMC on a "best efforts" basis, many of the current and new data points being requested by the regulators are not tracked by the industry.

Mr. Wycks also reported that the Government of Ontario had ultimately decided not to appeal the recent ruling by an Ontario court invalidating the government's decision to terminate its Out-of-Country travel health program, which provides coverage for Ontarians making travel health claims for out-of-country medical issues, effective January 1, 2020.

4.e. Networking & Events

K. Martin noted that CAFII's three regulatory webinars held in the summer of 2020 had been quite successful, and he asked for input on whether such webinars should be continued in 2021. EOC members expressed strong support for continuation of a CAFII webinars program in 2021.

5. Recent and Upcoming Strategic and Regulatory Initiatives

5.a. 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

K. Martin reminded EOC members that the CAFII Board had asked for internal work efforts within member institutions to be shared with CAFII's Co-Executive Directors, for the purposes of information-gathering and intelligence-sharing. He also noted that at the 1 December, 2020 Board meeting, there would be discussion on whether CAFII should reach out to the FCAC on the

appropriateness guideline and communicate why it was CAFII's view that it should not apply to credit protection insurance.

EOC members strongly felt that it was premature to reach out to the FCAC on the appropriateness guideline at this time, and that the Association should instead take a "do nothing" approach on this matter for the time being.

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

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

B. Wycks reported that CAFII continues to have regular weekly meetings with CLHIA and THIA on COVID-19 and its impact on the travel insurance industry. He noted CAFII had recently had a get-acquainted meeting with Global Affairs Canada on COVID-19 and its impact on the travel insurance industry; and that the Canada-US border was likely to remain closed for the foreseeable future.

6. Governance Matters

6.a. Preparation For Dedicated/Special Purpose Early 2021 CAFII Board Meeting To Review and Update CAFII Strategic Plan, Including Development of a Pre-Read Document

B. Wycks reported that CAFII's Board had indicated an interest in a special-purpose Board meeting to review and potentially update CAFII's Three-to-Five-Year Strategic Plan, which had been approved by the Board in February 2018. CAFII would be reaching out to Board members to finalize a time and date for the meeting, likely for late January or early February 2021. There will be a pre-read package distributed to the EOC and Board prior to this meeting.

[Action Item: Distribute an update to the CAFII strategic plan pre-read document to Board and EOC members, several weeks prior to the Board's special purpose meeting in early 2021; K. Martin, January 31/21.]

6.b. CAFII Marketing/Outreach Plan For Attracting New Associates For 2021

K. Martin advised that there are several professional services suppliers to and related business partners of CAFII, including law firms that we have done business with, such as Stikeman Elliott and Norton Rose, which CAFII will shortly be reaching out to with a pitch for them to become a CAFII Associate in 2021. CAFII is in the process of preparing these pitches and will send them out to potential new Associates and recently lapsed Associates soon.

6.c. Draft Minutes of October 29/20 EOC Teleconference Meeting

The draft minutes of the October 29, 2020 EOC teleconference meeting were approved.

8. Other Business

There being no other business, the EOC meeting was terminated at 3:45 p.m.