

**EXECUTIVE OPERATIONS COMMITTEE VIRTUAL MEETING
CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE**

Tuesday, July 20, 2021, 2:00-3:30pm

MINUTES

EOC Present:

Rob Dobbins	Assurant (Chair)
Karyn Kasperski	RBC Insurance (Vice Chair)
Tony Pergola	ScotiaLife Financial (Treasurer)
Anuraj Bains	CIBC Insurance
Sharon Apt	The Canada Life Assurance Company
Fay Coleman	RBC Insurance
Martin Boyle	BMO Insurance
Emily Brown	Sun Life
Isabelle Choquette	Desjardins Insurance
Michelle Costello	CUMIS/The Co-operators
Penelope Cordogiannis	RBC Insurance
Farhad Eslah	Canadian Tire Bank
Corrine Gagné	Canadian Tire Bank
Aanchal Gulia	Sun Life
Anaar Jessa	Sun Life
Brad Kuiper	ScotiaLife Financial
Edward Kuo	Sun Life
Cassandra Litniansky	CUMIS/The Co-operators
Carmelina Manno	Manulife Financial
Jonine McGregor	Canadian Tire Financial Services
Anita Mukherjee	RBC Insurance
Marie Nadeau	National Bank Insurance
Andrea Stuska	TD Insurance
Peter Thorn	TD Insurance
Katia Umutoniwase	Manulife Financial
Fergal Murphy	TD Insurance
Esther Lee	CIBC Insurance

Also Present:

Brendan Wycks, *Co-Executive Director*
Keith Martin, *Co-Executive Director*
Jake Becker, *Association Coordinator*

1. Welcome, Call to Order, and Priority Matters

1.a. Call to Order

EOC Chair and Board Secretary Rob Dobbins called the meeting to order at 2:02 pm.

1.b. Welcome to New EOC Members (Fergal Murphy, TD Insurance; Esther Lee, CIBC Insurance; Jonine McGregor, Canadian Tire Bank)

Rob Dobbins welcomed three new EOC members: Fergal Murphy, from TD Insurance; Esther Lee, from CIBC Insurance; and Jonine McGregor, Canadian Tire Bank. Each of these new members was given the opportunity to briefly introduce themselves.

2. Consent Items

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

- a. Consultations/Submissions Timetable
- b. July 9/21 CAFII Submission To CISRO On Draft "Principles of Conduct for Intermediaries"
- c. Regulator and Policy-Maker Visit Plan
- d. Summary of Board and EOC Action Items
- e. Board-Approved Schedule of CAFII 2021 Meetings and Events

3. Financial Management Matters

3.a. CAFII Financial Statements as at June 30/21

Treasurer Tony Pergola noted that the Association is on a firm financial footing. For the month ending 30 June, 2021 revenues are \$87K, expenses are \$72K, and the monthly surplus is \$14K. The Association's finances will be strengthened by the participation of a new member in the Association, Canadian Tire Bank.

In terms of the finances for the year to date, revenues are \$478K, expenses are \$356K, and the surplus is \$119K, which is a favourable variance to the budget of \$54K. This is explained by some timing issues around expenses that will be incurred but have not been booked yet, along with a \$19K increase in membership dues over budget, due largely to CAFII securing four new Associates as well as a new member, Canadian Tire Bank. As of May 2021 the level of financial reserves as a percentage of annual operating expenses is at 60%, which is slightly above the target range.

3.b. Forecast for CAFII 2021 Fiscal Year as at June 30/21

Treasurer Tony Pergola noted that the forecasted 2021 revenue was \$955K, and forecasted expenses were \$837K, for an anticipated surplus of \$118K. The 2021 end-of-year level of financial reserves as a percentage of annual operating expenses is currently projected to be 60%.

4. Committee Updates

4.a. Research & Education

4.a.i In-Development Proposal From Research & Education Committee for a Follow-up CAFII Research Initiative on Trends, Consumer Demands/Expectations, and Best Practices in Digitization of Insurance.

Andrea Stuska and Keith Martin provided some background on CAFII's 2021 research recommendation. It was noted that the successful release of a Pollara study on digitization was based on the 2020 CAFII research budget even though the research was released in 2021, and that the Board had approved a further 2021 research budget of \$60K.

In discussion with the Research & Education Committee, it was recommended that a study on best practices around delivering on consumer expectations around digitization could be interesting and of benefit, and this was the recommendation of the R&E Committee to the EOC. It was further recommended that a proposal be solicited from Melissa Carruthers of Deloitte, as we have a good relationship with her and her firm. The EOC discussed these ideas and supported proceeding with obtaining and reviewing such a proposal from Deloitte.

[Action Item: Share the proposal for a thought leadership paper on best practices to meet the digitization expectations of Canadian CPI consumers once it is received from Melissa Carruthers of Deloitte Canada; K. Martin, July/August, 2021.]

4.b. Media Advocacy

4.b.i Development of Two New CAFII Motion Graphics Website Videos on (i) Results of Research Project On Insurance Consumers' Digitization Preferences; and (ii) Job Loss CPI

Anita Mukherjee and Keith Martin provided an update on media advocacy activities, noting that there are two new motion graphic videos in development, one on the Pollara study on consumers' digitization preferences, and the other on credit protection insurance job loss coverage. It was also noted that a meeting of the Media Advocacy Committee was being planned for early September.

4.c. Marketing Conduct & Licensing

4.c.i FSRA Follow-up Consultation on Revised UDAP Rule, with August 11/21 Submission Deadline

Brad Kuiper and Brendan Wycks provided an update on the intention of CAFII to provide FSRA with a short submission on its updated UDAP rule by the consultation deadline of August 11, 2021.

4.c.ii) FSRA Inter-Related Consultations on (i) Proposed Sound Business and Financial Practices of Credit Unions and Caisses Populaires Rule; and (ii) Credit Union Market Conduct Framework Approach and Interpretation Guidance.

There was discussion on two related FSRA consultations that CAFII EOC members felt we should carefully monitor, but which it was felt might be out of scope for a formal written submission.

4.d. Travel Insurance Experts

No update was provided at this time.

4.e. Networking & Events

4.e.i Progress on Plans for Fall 2021 Webinar on "Climate Change and Its Implications For Life Insurance" including Background and Evidence; Causes and Consequences; Mortality and Morbidity Outcomes; Life Insurance Implications; and Risk Management Challenges (Presenters from RGA Life Reinsurance Company of America)

Brendan Wycks provided an update on an upcoming Fall 2021 webinar, part of a series of intended webinars for the second half of 2021, on climate change issues and their impact on life and health insurance, with presenters from RGA Life Reinsurance Company of America.

5. Recent and Upcoming Strategic and Regulatory Initiatives

5.a. July 21/21 CAFII Pre-Consultation Meeting with CCIR/CISRO FTC Working Group on Its Draft “Incentives Management Guidance”

Brendan Wycks noted that CAFII has worked with CCIR/CISRO on getting CAFII members access to its draft “Incentives Management Guidance,” and that an initial meeting on this will be held with CCIR/CISRO the day after this EOC meeting, on 21 July 2021, at which CCIR/CISRO is expected to mostly present to CAFII on this initiative and on next steps.

5.b. CAFII’s Action Plan Arising from June 29/21 Special Purpose Board Meeting on Norton Rose’s Legal Arguments/Opinion in Opposition to AMF’s Interpretation on RADM’s Applicability to Credit Card-Embedded Insurance Benefits and Resulting Regulatory Expectations

Keith Martin reported that CAFII has now received the legal opinion from Norton Rose on the AMF’s interpretation around the RADM’s applicability to credit card-embedded insurance benefits, and the Board has received a presentation on the major findings on 29 June, 2021. The direction from the Board was to offer to share some of the major findings in a get-acquainted discussion with new Superintendent of Client Services and Distribution Oversight, and CAFII has reached out to him to set up such a meeting.

5.c. CAFII Outreach Request To CBA That It Engage In AMF Credit Card-Embedded Insurance Benefits Issue, Given Implications For Core Credit Card Offerings in Quebec

Keith Martin reported that CAFII had heard back from the CBA through both a phone call on 13 July, 2021 along with a subsequent follow-up email from Andrew Ross, Director, Payments who conveyed the CBA’s decision to not proceed on the AMF credit card-embedded insurance issue at this time, as it appeared CAFII was making progress on this issue with the AMF. However, Mr. Ross also shared that the CBA was not enthusiastic about pursuing this file at this time and as such was pleased to step back now that it appeared that CAFII was making progress.

5.d. CAFII Working Group on Industry Alignment Around Compliance with AMF’s Expectations Re RADM’s Applicability to Credit Card-Embedded Insurance Benefits

Karyn Kasperski and Keith Martin provided an update on the Working Group that was exploring how members were attempting to implement the AMF’s expectations around credit card-embedded insurance benefits. It was noted that CAFII was still working to gain clarification around the wording and distribution of the Factsheet as well as the Notice of Rescission.

5.e. CAFII Working Group on Industry Alignment Re Interpretation of FCAC’s Appropriateness Guideline’s Application to Authorized Insurance Products/CPI; and Potential Approaches to Compliance

Martin Boyle and Keith Martin provided an update on the Working Group on compliance with the FCAC’s Appropriateness Guideline, noting that the 7 principles in the Guideline have now been reduced to 5, and the deadline for implementation was being pushed out.

5.f. FSRA Consultation with Stakeholder Advisory Committee (SAC) Members on Renewal of SAC Structure

Keith Martin noted that FSRA was consulting with members on the renewal of the Stakeholder Advisory Group's mandate and structure and appeared to want members of the SAC to remain on the Committee for another year.

5.g. CAFII Data Improvements Working Group With RSM Canada Around Quarterly CPI Benchmarking Study: Progress Report

Keith Martin reported that RSM Canada was working with members who participate in the quarterly CPI benchmarking study on data quality improvements.

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

Brendan Wycks provided an update on the meetings of CAFII, CLHIA and THIA on travel insurance and COVID-19 issues, noting the closing of the Canadian-US border remained a hot topic, and that cruise lines were developing their perspective on vaccine status requirements to access their cruise ships.

6. Governance Matters

6.a. Plans for Tentatively Scheduled Next EOC Meeting on August 17/21: Option to Cancel

Following discussion and due deliberation, the EOC decided to cancel the tentatively scheduled 17 August, 2021 EOC meeting and to resume EOC meetings on September 14, 2021.

6.b. Plans For Next Board Meeting On October 5/21

Brendan Wycks provided an update on the upcoming Board meeting on 5 October, 2021, noting that it would be virtual and it was likely that the AMF liaison meeting that usually follows that meeting would be held close to but not on the same actual date of the Board meeting.

6.c. "Switching" of Hosting Responsibility For December 7/21 CAFII Board Meeting and Possible Immediately Ensuing, In-Person Holiday Season Reception

Brendan Wycks noted that CAFII was still looking for a new host for the 7 December, 2021 CAFII Board meeting, in case it turned out to be possible to hold an in-person Board meeting and immediately ensuing Reception on that date.

6.d. Draft Minutes of June 22/21 EOC Meeting

The EOC approved the draft minutes of its 22 June, 2021 EOC meeting.

6.e. Draft Minutes of June 29/21 Special Purpose Board Meeting

The EOC endorsed the draft minutes of the 29 June, 2021 Special Purpose Board meeting, for presentation to the Board for approval at its next meeting.