

**CAFII Executive Operations Committee Virtual Meeting**

**Tuesday, February 23, 2021**

**Minutes**

**EOC Present:** Rob Dobbins, Assurant (Chair)  
Tony Pergola, ScotiaLife Financial (Treasurer)  
Carmelina Manno, ManuLife  
Aanchal Gulia, Sun Life  
Anaar Jessa, Sun Life  
Charles Blaquiére, Valeyo  
Monika Spudas, Manulife  
Martin Boyle, BMO Insurance  
Dana Easthope, Canadian Premier Life  
Edward Kuo, Sun Life  
Michelle Costello, CUMIS/The Co-operators  
Sharon Apt, Canada Life Assurance  
Emily Brown, Sun Life  
Pete Thorn, TD Insurance  
Isabelle Choquette, Desjardins Insurance  
Marie Nadeau, National Bank Insurance  
Brad Kuiper, ScotiaLife Financial  
Casandra Litniansky, CUMIS/The Co-Operators  
Kamana Tripathi, TD Insurance  
Karyn Kasperski, RBC Insurance  
Vivek Sahni, RBC Insurance  
Moir Gill, TD Insurance  
Afzal Baig, TD Insurance  
Corinna Gogin, CUMIS/The Co-Operators  
Anita Mukherjee, RBC Insurance  
Andrea Stuska, TD Insurance  
Twila Allen, TD Insurance (guest observer)

**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**

EOC Chair and Board Secretary R. Dobbins called the meeting to order at 2.02 p.m.

**1.b. Welcome to New EOC Members**

R. Dobbins welcomed new EOC member C. Manno from Manulife, as well as T. Allen, a guest observer from TD Insurance. Mr. Dobbins invited Ms. Manno and Ms. Allen to introduce themselves to EOC members, and both provided brief self-introductions.

## **2. Consent Items**

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

- Consultations/Submissions Timetable
- Regulatory Update
- Regulator and Policy-Maker Visit Plan
- Summary of Board and EOC Action Items
- Board-Approved Schedule Of CAFII 2021 Meetings And Events

## **3. Financial Management Matters**

### **3.a. CAFII Financial Statements as at January 31/21**

CAFII Treasurer T. Pergola provided an update on CAFII's financial statements as at 31 January, 2021. He noted that monthly revenue was \$77K and expenses were \$52K, resulting in a surplus of \$25K. He noted that some 2020 expenses would be incurred in 2021, including a portion of the expenses for the website and for the consumer research study. He highlighted that the Board had approved a \$50K contingency fund as part of the 2021 CAFII Operating Budget, which was intended to provide for the possibility that in-person events and travel would be permitted to resume in the latter half of 2021.

Mr. Pergola advised that CAFII's financial reserves as a percentage of annual operating expenses were currently at 49%. CAFII's Reserves Guideline called for the Association to strive to have financial reserves of between 25% and 50% of annual operating expenses at any given point in time, so we are within the targeted range.

There was \$12K still in the restricted special projects fund, and CAFII will discuss with auditor KPMG whether this should be returned to the general coffers, Mr. Pergola noted. CAFII has attracted three new paying Associates thus far in 2021: Dog and Pony Studios, RSM Canada, and Stikeman Elliott, he concluded.

### **3.b. Update on KPMG Audit of CAFII 2020 Fiscal Year Financial Statements**

B. Wycks provided an update on the critical path and timelines for KPMG's audit of CAFII's 2020 fiscal year financial statements.

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

B. Wycks noted that the first instalment of the 2021 CAFII member dues invoices had now been disseminated, with payments expected to be received in the near future.

## **4. Committee Updates**

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

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

Research & Education Chair A. Stuska noted that the Pollara consumer research project questionnaire was now complete, and was about to go to field.

Within the next few weeks, the polling phase should be complete, after which the results will be tabulated and a report developed by Pollara. K. Martin noted that two additional questions have been added to the study, one on whether the COVID-19 pandemic has made respondents more likely to purchase insurance, the other more specifically on whether the pandemic has made respondents more likely to purchase credit protection insurance.

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

##### **4.b.i. CAFII Motion Graphic Website Video On Credit Protection Critical Illness Insurance and Credit Protection Disability Insurance: Status Report Including Posting on Website; Transmittal to Regulators; and Media Release**

Media Advocacy Chair C. Blaquiére noted that the latest CAFII website video on critical illness CPI and disability CPI was now complete. K. Martin noted that closed captions had been added to the videos to assist people with disabilities. When the videos are posted on the website, a communiqué will be shared with EOC and Board members.

***[Action Item: Communicate to the EOC and Board when the video on critical illness CPI and disability CPI is published on the CAFII website and on Youtube; K. Martin, March 2021.]***

##### **4.b.ii. Draft CAFII Media Release On New Video On Credit Protection Critical Illness Insurance and Credit Protection Disability Insurance**

K. Martin reported that CAFII media consultant D. Moorcroft has recommended that the publication of the new CAFII website video on critical illness CPI and disability CPI should be accompanied by a media release. The angle for the media release is that this is evidence of CAFII's ongoing commitment to fair treatment of customers and to enhancing consumers' financial literacy. CAFII will also be sending to over 200 insurance regulator and policy-maker contacts an email informing them of the publication of the video.

***[Action Item: Inform insurance regulators and policy-makers across Canada that a new CAFII website video on critical illness insurance CPI and disability CPI videos has been published on the CAFII website and on Youtube; K. Martin, March 2021.]***

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

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

Market Conduct Chair B. Kuiper noted that FSRA's current UDAP Rule consultation was around a change that CAFII members generally viewed favourably, but that close attention still had to be paid to the details on this initiative. K. Martin noted that the objective of this FSRA consultation was to provide stakeholders with the opportunity to comment on FSRA's intention to eliminate an existing Regulation on Unfair or Deceptive Acts or Practices (UDAP) and replace it with a new Rule. The rationale for this change was to provide industry with greater clarity on expectations around UDAP, and to introduce new provisions that provide industry with greater flexibility around innovation.

**[Action Item: Distribute Critical Path for CAFII's response submission on FSRA's UDAP Rule consultation and launch Market Conduct & Licensing Committee response development process; B. Wycks, March 2021.]**

#### **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**

Travel Medical Insurance Experts Working Group Chair A. Baig noted that CCIR's Travel Insurance Working Group (TIWG) Chair Harry James had expressed some disappointment on response rates for some of the travel insurance-related questions on the most recent Annual Statement on Market Conduct (ASMC). Mr. Baig noted that different insurers collect data differently and not all were able to respond to some of the ASMC questions. Similarly, the new 2022 questions on travel insurance are intended to be answered on a best efforts basis, and not all insurers collect the data related to some of the questions in the survey.

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

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

Networking & Events Chair S. Kirby noted that CAFII is organizing some webinars for 2021 and the Co-Executive Directors would be in a position to follow up with details in the coming weeks.

B. Wycks noted that one initiative that CAFII was actively exploring was to invite Australian bancassurance executive/consultant Helen Troup, who had visited CAFII in Toronto two years ago, to participate in a webinar on recent developments in Australia around credit protection insurance. Several EOC members expressed enthusiastic support for a CAFII webinar featuring Helen Troup on recent bancassurance developments in Australia.

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

##### **5.a. CAFII Board Chair and Vice-Chair Recommendations Arising From Recent Developments In FCAC's Crafting of an Appropriateness Guideline**

K. Martin updated the EOC on the current status of the FCAC's work on an Appropriateness Guideline. CAFII recently learned that the FCAC has released a *Discussion Paper on the FCPF's Appropriate Products Procedures Provisions*, with a 25 February, 2021 deadline for responses from members of its Financial Consumer Protection Framework (FCPF) Implementation Working Group (WG) which consists of 12 bank/FRFI representatives, along with the CBA as an observer.

Mr. Martin recalled that at the 1 December, 2020 CAFII Board meeting, there was clear direction from the Board for the Association to monitor the FCAC's work on developing an Appropriateness Guideline and to develop arguments as to why it should not apply to CPI; but there was also clear direction that CAFII **should not** engage with the FCAC or the CBA on this issue at this time.

However, circumstances had changed now that the FCAC had released the above-noted Discussion Paper to its FCPF Implementation Working Group. As a result, a recommendation was provided to the Board that CAFII should reach out to the FCAC and ask for a copy of the discussion paper and an opportunity to provide a submission on it.

This recommendation was emailed to the Board, but there was no consensus on this matter and a concern had been expressed by one Director that it would be premature to reach out to the FCAC at this time.

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

B. Wycks reported on recent intelligence gleaned from weekly meetings being held with CLHIA and THIA around the impact of COVID-19 upon the travel insurance industry. The latest developments focused largely on Global Affairs Canada's efforts to impose stricter measures to discourage Canadians from traveling internationally at this time.

### **6. Governance Matters**

#### **6.a. Outcomes of February 11/21 CAFII Board Special Purpose Meeting To Review and Update CAFII Strategic Plan**

K. Martin reported that there had been a good discussion on the CAFII strategic plan at the Special Purpose Board Meeting on 11 February, 2021. In general, there seemed to be support for the current direction of the Strategic Plan, with some tweaks and enhancements being called for, including some additional monitoring of international developments, continued organization of webinars, and some dedicated attention to the impact of digitization on CPI. Board Member Zack Fuerstenberg was interested in exploring a CAFII training or certification related to Members' own employees, and that will be separately discussed at a future Board meeting. Additional detail on the outcomes of the meeting will be contained in the minutes of this Special Purpose Board Meeting, which will be circulated in the coming weeks.

#### **6.b. Draft Minutes of January 26/21 EOC Meeting**

The draft minutes of the 26 January, 2021 EOC meeting were approved.

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

Deferred to agenda for March 30/21 EOC meeting.

#### **6.d. Application Review and Admission of Stikeman Elliott as a New CAFII Associate**

The EOC approved the admission of Stikeman Elliott as a new CAFII Associate.

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

K. Martin and B. Wycks updated the EOC on CAFII's efforts to attract new Associates, with three new Associates having accepted our outreach thus far in 2021.

**6.f. Insurance Portal's Six Week Free Trial Subscription For CAFII Member Representatives**

B. Wycks reported that CAFII had organized a six-week free trial subscription for CAFII member representatives with the Insurance Portal, in connection with the Association's CAFII Alerts Weekly Digest.

**7. Meeting Termination**

There being no other business, the meeting was terminated at 3:15 p.m. and EOC members adjourned into an *In Camera Session* discussion.