

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

**Tuesday, June 22, 2021, 2:00-3:30pm**

**MINUTES**

<b>EOC Present:</b>	Rob Dobbins	Assurant (Chair)
	Tony Pergola	ScotiaLife Financial (Treasurer)
	Corinne Gagné	Canadian Tire Financial Services
	Karyn Kasperski	RBC Insurance (Vice Chair)
	Anuraj Bains	CIBC Insurance
	Sharon Apt	The Canada Life Assurance Company
	Martin Boyle	BMO Insurance
	Emily Brown	Sun Life
	Penelope Cordogiannis	RBC Insurance
	Farhad Eslah	Canadian Tire Financial Services
	Moira Gill	TD Insurance
	Ben Gray	CIBC Insurance
	Aanchal Gulia	Sun Life
	Anaar Jessa	Sun Life
	Scott Kirby	TD Insurance
	Brad Kuiper	ScotiaLife Financial
	Edward Kuo	Sun Life
	Cassandra Litniansky	CUMIS/The Co-operators
	Anita Mukherjee	RBC Insurance
	Monika Spudas	Manulife Financial
	Andrea Stuska	TD Insurance
	Peter Thorn	TD Insurance
	Kamana Tripathi	TD Insurance

**Also Present:** Brendan Wycks, *Co-Executive Director*  
Keith Martin, *Co-Executive Director*  
Lyn Wallington, *Interim 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 2.02pm.

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

Rob Dobbins welcomed two new EOC members from CAFII's newest member, Canadian Tire Financial Services: Corinne Gagné, and Farhad Eslah. Ms. Gagné and Mr. Farhad briefly introduced themselves.

**1.c. Appointment of New Networking & Events Committee Chair**

Rob Dobbins announced that Carmelina Manno was appointed as the new Networking & Events Committee Chair. Mr. Dobbins thanked outgoing Networking & Events member Scott Kirby for his efforts on the Committee.

## **2. Consent Items**

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

- a. Consultations/Submissions Timetable
- b. Regulatory Update
- 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 May 31/21**

CAFII Treasurer Tony Pergola reported there is a positive variance of \$4K for the month of May 2021, mostly due to higher membership dues due to more Associates joining the Association than budgeted for. The year to date numbers are revenue of \$391K, expenses of \$286K, for a surplus of \$104K, which is a positive variance to the budget of \$29K. The operating ratio is 58%, which is above the 25-50% range that the Association targets.

### **3.b. Forecast for CAFII 2021 Fiscal Year as at May 31/21**

CAFII Treasurer Tony Pergola reported that the forecasted revenue for 2021 was \$951K, which is higher than the budgeted \$919K; that expenses were forecasted at \$838K, for a surplus of \$115K, with a forecast operating ratio of 60% at the end of the year.

## **4. Committee Updates**

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

#### **4.a.i Public Release Of Results From CAFII Research Project On Insurance Consumers' Digitization Preferences: June 15/21 Webinar Presentation to Insurance Regulators and Policy-Makers; Public Release Of Results On CAFII Website; and Media Release**

Andrea Stuska and Keith Martin reported on the public release of the CAFII results from the research project on insurance consumers' digitization preferences. On June 15, 2021 a presentation was made to insurance regulators and policy-makers on the research, and the next day a press release on the results was issued, and the results were posted on the CAFII website. There has been some trade press coverage of the release, and the research is generating positive feedback and interest.

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

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

Keith Martin noted that CAFII was working with its website consultants Operatic Agency to produce two new motion graphic videos, one on the research results of the Pollara digitization study, the other on job

loss. EOC members will be offered the opportunity to comment on and offer feedback on the two videos.

*[Action Item: Offer EOC members the opportunity to comment on two new motion graphic website video on the Pollara consumers' digitization preferences and job loss; B. Wycks, K. Martin, Summer, 2021.]*

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

##### **4.c.i CISRO Consultation On "Principles of Conduct For Intermediaries"**

EOC members agreed that CAFII should make a submission to CISRO on its consultation on the "Principles of Conduct for Intermediaries," even if it is high level, with part of the submission emphasizing that intermediaries offering credit protection insurance are prohibited by regulation from offering advice.

*[Action Item: Work with the Market Conduct Committee on the development of a submission to CISRO on "Principles of Conduct For Intermediaries"; B. Wycks, K. Martin, by 9 July, 2021.]*

##### **4.c.ii Possible Communication with NWT on Licensing Issues**

A new item was added to the EOC Agenda based on Pete Thorn of Toronto Dominion Insurance learning that the CLHIA was considering communicating with the NWT around the lack of a legislative basis for licenses for credit protection insurance, similar to the issue that had occurred some years back in Yukon. Many CAFII members expressed strong reservations around communicating about this with the NWT in the absence of their raising the issue themselves. It was suggested that CAFII discuss this with Dallas Ewen of Canada Life, who is the Chair of the credit protection insurance committee examining this at CLHIA; and share the reservations around communicating with NWT with the CLHIA.

*[Action Item: Share CAFII EOC members concerns about communicating on the licensing issue with NWT to Dallas Ewen and to the CLHIA; B. Wycks, K. Martin, immediately.]*

##### **4.c.iii Possible Communication with NWT on Licensing Issues**

A new item was added to the EOC Agenda based on Brendan Wycks receiving a communication from Tony Toy of the CCIR that they were planning a consultation on an incentives compensation management guideline. CAFII EOC members who are interested in commenting on the document they are producing on this issue will be asked to sign a non-disclosure agreement before they are sent the document.

*[Action Item: Reach out to EOC members for those who are interested in reviewing the CCIR document on incentives compensation management guideline to sign a non-disclosure agreement; B. Wycks, K. Martin, June/July 2021.]*

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

There were no updates on this agenda item.

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

##### **4.3.i Ways To Promote Greater CAFII Member Representative Attendance At CAFII Webinars**

Rob Dobbins noted that CAFII's series of recent webinars were very successful, and had received very positive feedback. Mr. Dobbins felt that higher CAFII membership participation would be beneficial for members and for the Association, and he encouraged members to actively promote future webinars.

#### **4.3.ii Topics and Presenters/Panelists for Fall 2021 CAFII Webinars**

Brendan Wycks shared some ideas around topics and speakers for CAFII webinars in the Fall of 2021, which EOC members generally were supportive of. CAFII plans a slate of three to four webinars in the Fall of 2021.

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

#### **5.a. Norton Rose's Development of Legal Arguments/Opinion to Oppose AMF's Interpretation on RADM's Applicability to Credit Card-Embedded Insurance Benefits and Resulting Regulatory Expectations**

Keith Martin noted that the Association had commissioned legal firm Norton Rose to develop arguments around the validity of the AMF position that the Regulation regarding Alternative Distribution Methods applies to credit card-embedded insurance benefits. The legal opinion would be shared soon with CAFII and a special purpose Board meeting was being organized to hear the arguments from Marc Duquette and Dominic Dupoy of Norton Rose, and discuss next steps coming out of the opinion.

#### **5.b. CAFII Submission Of June 7/21 Extension Request Letter To AMF Re September 17/21 Deadline For Affected Insurers To Submit Product Summaries and An Action Plan, Arising From AMF Position That RADM Fully Applies to Credit Card-Embedded Insurance Benefits**

Keith Martin reported that Mario Beaudoin called him on Friday, 18 June, 2021 to discuss CAFII's request for a three-month extension to the 17 September, 2021 deadline for producing Product Summaries and an Action Plan with respect to the RADM and credit card-embedded insurance benefits, with Mr. Beaudoin noting that the request would be approved shortly and a formal letter sent to CAFII so indicating. Richard Ollier of THIA had also spoken to Mr. Beaudoin, who verbally said that the AMF would work with industry to modify the Fact Sheet, and was aiming to do so by 1 May, 2022.

#### **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**

Several CAFII EOC members indicated that they had heard that the CBA was planning to reach out to the AMF on the credit card-embedded insurance benefits issue. CAFII management requested that any news that CAFII EOC members learn about this be shared with them.

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

Co-Chairs of the Working Group Karyn Kasperski and Scott Kirby indicated that the Working Group had made very significant progress, and that it was now working on some of the implementation challenges of meeting the AMF's expectations.

#### **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, Chair of the Working Group, noted that several meetings had been held of the Working Group and that significant progress had been achieved.

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

Keith Martin reported that RSM Canada was working with CAFII members on improvements to the data quality and comparability of the CPI benchmarking study. A plan with milestones would be shared with CAFII in the coming weeks and the EOC will be updated after that is received on timelines.

**5.g. Launch Of Saskatchewan Restricted Insurance Agent Advisory Committee**

Brendan Wycks reported that the Saskatchewan Restricted Insurance Agent Advisory Committee had now been launched, with an inaugural meeting held on 17 June, 2021.

**5.h. Proposal From CAFII Director Z. Fuerstenberg That CAFII Investigate Development and Launch of an Education/Master Class/Certification Program For Member Company Employees On “CPI Legislative and Regulatory Principles and Environment”: Next Steps**

An update was provided about a suggestion from CAFII Board member Zack Fuerstenberg that CAFII develop programs that provide educational material for its members. CAFII’s Board was supportive of the concept but was concerned about major new initiatives at a time when members are already resource-stretched. It was agreed that CAFII management would develop an analysis of the various options that could be undertaken along with their pros, cons, and resource implications.

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

Brendan Wycks reported on the recent meetings on the impact of COVID-19 on the travel insurance industry, noting that the re-opening of the Canada-US border remained a contentious issue, and that information on this was limited as Global Affairs Canada had cancelled recent meetings with THIA and CLHIA.

**6. Governance Matters**

**6.a. Outcomes Highlights of CAFII 2021 Annual Meeting of Members and First Meeting of 2021-22 Board of Directors on June 8/21**

Brendan Wycks reported that the Annual Meeting of Members and the first meeting of the 2021-22 Board of Directors were successfully held on June 8, 2021.

**6.b. Application Review and Admission of Norton Rose Fulbright (NRF) As A New CAFII Associate**  
The EOC approved accepting Norton Rose Fulbright as a new CAFII Associate.

**6.c. Plans For Next CAFII Regularly Scheduled Board Meeting On October 5/21**

Brendan Wycks reported that CAFII is looking at a virtual-only meeting with the AMF on 5 October, 2021 in conjunction with the Board meeting on that date.

**6.d. Need To “Switch” Hosting Responsibility For December 7/21 CAFII Board Meeting and Possible Immediately Ensuing, In-Person Holiday Season Reception**

Brendan Wycks reported that CAFII was looking for a member to host the December 7, 2021 CAFII Board meeting and possible in-person holiday reception following the meeting.

**6.e. Draft Minutes of May 25/21 EOC Meeting**

The draft minutes of the 25 May, 2021 EOC meeting were approved.

**6.f. Draft Minutes of June 8/21 Board Meeting**

The EOC approved recommending adoption of the 8 June, 2021 Board meeting minutes.

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