

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

Tuesday, October 24, 2023, 2:00-3:30 pm

MINUTES

EOC Present

Rob Dobbins	Assurant and EOC Chair
Karyn Kasperski	RBC Insurance and Vice Chair
Donald Hinnecke	RBC Insurance and Treasurer
Jennifer Russell	Assurant
Martin Boyle	BMO Insurance
Tejal Harri-Morar	BMO Insurance
Catherine Latulippe	Canadian Tire Bank
Afzal Baig	Chubb Life Insurance Company of Canada
Casandra Litniansky	CUMIS/The Co-operators
Michelle Costello	CUMIS/The Co-operators
Isabelle Choquette	Desjardins Insurance
Carmelina Manno	Manulife Financial
Janet Pacini-Thibodeau	Manulife Financial
Suzie Blanchard	Manulife Financial
Jonathan Poulin	National Bank Insurance
Fernando Heleno	RBC Insurance
Iman Muntazir	RBC Insurance
Charles MacLean	RBC Insurance
Prithipal Rajasekaran	Scotia Insurance
Brad Kuiper	Scotia Insurance
John Burns	Securian Canada
Deliska Beauregard	Securian Canada
Fay Coleman	TD Insurance
Andrea Stuska	TD Insurance
Peter Thorn	TD Insurance
Dallas Ewen	The Canada Life Assurance Company
Jason Beauchamp	The Canada Life Assurance Company

Regrets:

Farhad Eslah	Canadian Tire Bank
Cynthia Golubic	Canadian Tire Bank
John Juba	Chubb Life Insurance Company of Canada
David Self	CIBC Insurance
Konstance Allain	CIBC Insurance
Lauren Ross	CIBC Insurance
Almas Satwat	CUMIS/The Co-operators
Diane Quigley	CUMIS/The Co-operators
Nathalie Baron	Desjardins Insurance
Pierre-Olivier Cyr	Desjardins Insurance
Sharon Murrell-Foster	Manulife Financial
Katia Umutoniwase	Manulife Financial

Ivan Murray	National Bank Insurance
Shannon Dowe	RBC Insurance
Stacey Hughes-Brooks	RBC Insurance
Alfonso Movilla	Scotia Insurance
Sean Kradjian	Scotia Insurance
Asma Desai	Securian Canada
Fergal Murphy	TD Insurance
Moir Gill	TD Insurance
Catherine Laspina	The Canada Life Assurance Company
Jacqlyn Marcus	Valeyo
Marco DeiCont	Valeyo

Also Present: Brendan Wycks, *Co-Executive Director*
Keith Martin, *Co-Executive Director*
Troy Woodland, *Association Coordinator*
Robyn Jennings, *Research Analyst*
Shanay Smith, *Operations Manager*

Item 1: Welcome, Call to Order, and Priority Matters

Item 1 (a): Call to Order

The meeting was chaired by EOC Chair Rob Dobbins, who called the meeting to order.

Item 2: Consent Items

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

- Consultations/Submissions Timetable;
- October 2023 Regulatory Update;
- Summary of Board and EOC Action Items;
- Board-Approved Schedule of CAFII 2023 Meetings and Events;
- Board-Approved Schedule of CAFII 2024 Meetings and Events.

Item 3: Financial Management Matters

Item 3 (a): CAFII Financial Statements as at September 30/23

CAFII Treasurer Donald Hinnecke provided an update on CAFII's financial position as at September 30/23, noting that the Association is in a strong financial position at the three-quarters point in the 2023 fiscal year. CAFII is spending well within expected levels and is, therefore, in a strong cash position thanks to unbudgeted interest income, unbudgeted member dues from one additional member (Chubb Life), and lower spending than anticipated year-to-date (no legal fees, cancelled or deferred meetings, minimal office expenses, etc.). There will be some significant expenses in the final quarter due to regulator and policy-maker visits travel, but they will not have a material impact on the Association's 2023 year-end financial position.

Item 3 (b): Forecast for CAFII 2023 Fiscal Year as at September 30/23

CAFII Treasurer Donald Hinnecke projected that CAFII will end the 2023 fiscal year in a strong financial position, thanks to modest incremental revenue (higher member dues and interest income) and prudent expense management. There are a few new, one-time expenses now embedded in the forecast, including a retirement party for Brendan Wycks and the hiring of a new media consultant. The forecast now calls for the Association to end the 2023 fiscal year with a 58% level of financial reserves as a percentage of annual operating expenses, if expense levels continue to play out as anticipated. CAFII will continue to monitor any additional new staffing and management structure costs, the new RSM Canada research project, and regulatory tour expenses.

Item 3 (c): Proposed CAFII Electronic Payables and Cheque Signing Authorities Policy

Co-Executive Director Brendan Wycks presented to the EOC a second draft of CAFII's Proposed Electronic Payables and Cheque Signing Authorities Policy.

At the September EOC meeting, he recalled, EOC members had provided excellent feedback on the first draft of the Policy, which was incorporated into the second draft. Thus, the new policy now stipulates:

- A Managing Matters representative cannot be an approver of an electronic payables item payable to that company;
- A Managing Matters representative can be one of the two signatories on cheques in amounts of up to \$2,500, with a CAFII staff member or Officer of the Association as the second signatory. If the amount of a cheque is over \$2,500, then both signatories must be a CAFII staff member or Officer of the Association. (Since 2021, the Association has been moving towards electronic payables, but occasionally CAFII still uses cheques; therefore, this provision must remain in the Policy);
- the Policy now contains a sunset provision, requiring that it be reviewed at least once every five years.

The EOC unanimously endorsed Draft 2 of the Proposed Electronic Payables and Cheque Signing Authorities Policy, for presentation to the Board for approval at its upcoming December 5/23 meeting.

Item 3 (d): Critical Path for Development of 2024 CAFII Operating Budget

Co-Executive Director Brendan Wycks reported that the critical path for development of the 2024 CAFII operating budget was presented to the Board at the October 10/13 meeting in Montreal. He advised that CAFII's Accountant/Controller Ricky Nason was in the process of reaching out to the CAFII committee chairs and vice-chairs for their input for the 2024 CAFII Operating Budget; and that Treasurer Donald Hinnecke would be involved in the decisions around the proposed operating budget. An advanced draft of the Proposed 2024 Operating Budget will be ready for presentation at the November 14/23 EOC meeting. If subsequently endorsed by the EOC via an email assent process, the Proposed 2024 CAFII Operating Budget will then be included in the December 5/23 Board meeting materials for approval by the Board.

ACTION: Create a revised Critical Path for Development of the 2024 CAFII Operating Budget to present at the next EOC meeting (November 14/23) for review and approval [B. Wycks; November 10, 2023].

Item 4: Committee and Working Group Updates

Item 4 (a): Diversity, Equity and Inclusion

i. Current Priorities and Initiatives for the Working Group

Co-Executive Director Keith Martin and Chair of the Diversity, Equity, and Inclusion Working Group Tejal Harri-Morar updated the EOC on the October 16/23 Working Group meeting, in which it was agreed that CAFII would consider developing an HR policy to outline the Association's DEI principles and objectives. There was also a lengthy discussion at the Working Group's meeting of DEI advancements at the Board-level as well as Board succession plans in relation to DEI considerations. Finally, during the meeting, there was a productive conversation on the upcoming DEI survey of member companies, which will probe companies on their DEI policies and allow members the opportunity to advance any DEI principles or practices they believe should be incorporated at a CAFII level.

K. Martin noted that the Working Group is still in the exploratory stage of its mandate; hence, the importance of a survey to understand the policies and priorities of CAFII member companies around DEI initiatives. Therefore, the primary focus of the Working Group is on research findings and information-gathering, rather than developing recommendations, at this time.

Item 4 (b): Marketing Conduct & Licensing

i. FSRA Significant Rewrite of "Proceeds of Enforcement Guidance," Including to Reflect Feedback in CAFII Written Submission

Chair of Market Conduct & Licensing Group Brad Kuiper reported that CAFII had received a very positive response from FSRA on CAFII's submission regarding FSRA's consultation on proceeds of enforcement. FSRA said that it had taken to heart much of CAFII's recommendations. B. Kuiper noted that this is a result of the effectiveness of the Market Conduct & Licensing Committee and the EOC, as well as the excellent regulatory relationships that CAFII's Co-Executive Directors have developed. EOC Chair Rob Dobbins re-echoed B. Kuiper's views and emphasized the importance of relationship-building with insurance regulators and policy-makers.

ii. CCIR Consultation on Type and Nature of Complaints to Be Disclosed Through Annual Statement on Market Conduct (ASMC) via Complaint Report Tool (Submission Deadline: November 3/23)

Co-Executive Director Brendan Wycks reported that CAFII will organize some meetings of the Market Conduct & Licensing Committee to discuss CCIR's *Consultation on the Type and Nature of Complaints to be Disclosed through the Annual Statement on Market Conduct (ASMC) via Complaint Report Tool*. Martin Boyle indicated that, in his view, a very robust, impactful CAFII submission on this CCIR initiative would be critically important.

iii. FSRA Consultation on "2024-25 Statement of Priorities and Budget" (Submission Deadline: November 13/23)

Co-Executive Director Keith Martin reported that he would be attending a November 2, 2023, meeting of the FSRA Life & Health Insurance Sectoral Advisory Committee (SAC) on the Authority's 2024-2025 Statement of Priorities and Budget; and that CAFII would make a submission to FSRA in response to its related consultation, which has a deadline of November 13, 2023. He also noted that he had recently had a preparatory meeting with Erica Hiemstra (Head, Insurance Conduct) and her team on 13 October, 2023 to discuss the upcoming SAC meeting; and that Ms. Hiemstra had expressed FSRA's appreciation for CAFII's support of FSRA's recent consumer protection work which focused on the MGA distribution channel in the life and health insurance sector.

Item 4 (c): Quebec/AMF Issues

i. Insights Gained from September 28/23 French Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to AMF Staff Executives in Quebec

Co-Executive Director Keith Martin reported to the EOC that his presentation to the AMF was very successful. The AMF was appreciative of CAFII's efforts to make the presentation in-person in Quebec and in French. He noted his view that presentations in Quebec would increasingly need to be made in French.

Item 4 (d): Media Advocacy

i. Engagement of New Media Consultant

Co-Executive Director Keith Martin reported that the Media Advocacy Committee's primary recent activity has been the recruitment of a new media consultant. He expressed appreciation to Media Advocacy Chair Jacqlyn Marcus for her help in finding a new media consultant, Wendy Bairos. He indicated that he would be introducing Ms. Bairos to the EOC at the November 14/23 EOC meeting.

Item 4 (e): Research & Education

i. Launch of EOC-Approved CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments

Chair of the Research & Education Committee Andrea Stuska reported that the final, approved version of the survey questionnaire developed with LIMRA had recently been released into the field with online consumer respondents; and that final questionnaire was included in the meeting materials package.

K. Martin advised that there would be a short delay in LIMRA's compiling of the survey results, which was attributable to the importance of getting full Research & Education Committee engagement in the development of the survey, which will, in the end, result in stronger research insight outcomes. CAFII is on track to receive the survey results in late November or December 2023; and, after EOC and Board approvals, could release the research publicly, if that is the desired approach, early in 2024.

ii. Proposal That CAFII Present Its 2023 Research Results-Focused PowerPoint Deck to Financial Consumer Agency of Canada (FCAC) Staff Executives

Keith Martin reported that CAFII has completed its planned 2023 Insurance Regulator and Policy-Maker Visit Tours, with visits to the four Atlantic Canada provinces in September and October 2023. The tour in Atlantic Canada was very successful and generated positive feedback from the regulatory decision-makers that CAFII met.

He noted that one major regulator that CAFII has not met with in 2023 is the Financial Consumer Agency of Canada (FCAC).

There was strong support among EOC members to move forward with arranging a regulatory presentation to a group of CAFII-relevant FCAC staff executives in early 2024, in Ottawa.

R. Dobbins requested that this issue be further discussed at the November 14, 2023 EOC meeting, before a 2024 meeting with FCAC is arranged thereafter.

Item 4 (f): Networking & Events

Networking and Events Committee Chair Carmelina Manno and Vice-Chair Marco DeiCont provided a written update on the Committee's recent activities.

Item 5: Strategic and Regulatory Initiatives

Item 5 (a): Insights Gained from October 10/23 CAFII/AMF Informal Liaison Lunch; and CAFII/AMF 'Industry Issues Dialogue', Including:

i. CAFII Plans for Further Dialogue with AMF on Spousal Insurance Issue

Keith Martin reported that CAFII's Industry Issues Dialogue meeting with the AMF on October 10, 2023 had been very positive and markedly different from the tense 2022 meeting. The quarterly meetings between Éric Jacob and Peter Thompson have been impactful and resulted in a series of related meetings that were also very productive. In total, 11 meetings have been held with the AMF over the course of 2023, which have resulted in important opportunities to share information.

K. Martin reported that Peter Thompson presented statistics to Éric Jacob that indicated that spousal insurance policies were naturally running off at a rate of 10-12% a year but that there would still be hundreds of thousands of these policies by the 1 January, 2025 deadline for these policies to be cancelled. Mr. Jacob said he found the statistics informative, but that a more formal report on the attrition of these policies would be helpful to him. K. Martin suggested to Peter Thompson that an actuarial firm like RSM Canada could produce such a report, and it was agreed that this was an appropriate next step. An expedited approval process was used to move forward on this project, and RSM Canada is aiming to have a report to CAFII on spousal insurance run-off by November, 2023.

EOC Chair Rob Dobbins echoed Keith Martin's views that the October 10/23 meeting with the AMF had gone very well. Overall, CAFII's interactions with the AMF over the past year have been very positive and encouraging in terms of future interactions and relationship-building, he indicated.

Item 5 (b): Insights Gained from In-Person CAFII 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour: Phase 1 (PEI and New Brunswick) and Phase 2 (Nova Scotia and Newfoundland)

This item was deferred to the November 14/23 EOC meeting.

ACTION: Present Insights Gained from In-Person CAFII 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour: Phase 1 (PEI and New Brunswick) and Phase 2 (Nova Scotia and Newfoundland). [*R. Jennings and K. Martin; November 10, 2023*].

Item 5 (c): Insights Gained from October 23/23 Saskatchewan Restricted Insurance Agent Advisory Committee (RIAAC) Meeting

Keith Martin reported that the October 23/23 Saskatchewan Restricted Insurance Agent Advisory Committee (RIACC) meeting has been very productive. One particularly encouraging development was that April Stadnek, Executive Director of the Insurance Councils of Saskatchewan, had expressed a willingness to be a regulator leader in exploring the development of a Western Canada multi-jurisdiction Restricted Insurance Agency Advisory Committee -- so that, instead of trying to develop four advisory committees (Alberta, Manitoba, British Columbia, and Saskatchewan), there would be the creation of one body meeting together.

He also indicated that because CAFII had been unable to meet with her and her Insurance Councils of Saskatchewan staff colleagues during its Spring 2023 Western Canada Insurance Regulators and Policy-Makers Visits Tour, April Stadnek was interested in finding an alternative way for CAFII to make its presentation to her organization.

Item 6: Governance

Item 6 (a): Implementation of New CAFII Management Structure, Including Development of Comprehensive “Policies and Procedures Manual”

See item 6(b) below for the update on the Plans for Document on CAFII’s Succession Plan.

Item 6 (b): Plans for Document on CAFII Succession Plan

Keith Martin provided an update on CAFII’s new management structure, including the hiring of two new employees: Shanay Smith (Operations Manager) and Robyn Jennings (Research Analyst). As part of the new management structure, CAFII is developing a Policies & Procedures (P&P) manual to document all critical procedures, policies, and outputs. A succession plan for CAFII will also be developed by Keith Martin and brought forward at a subsequent EOC meeting.

Item 6(c): Draft Minutes of September 19/23 EOC Meeting

The EOC approved the minutes of the September 18/23 EOC meeting.