

Draft CAFII BOD Minutes

June 4, 2024

BOARD MEETING

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

In-Person/Hybrid Meeting at TMX in Toronto, Ontario

Tuesday, June 4, 2024

3:30 to 5:00 p.m. EDT

Minutes

Board Members

Present In Person:	Rohit Thomas	BMO Insurance
	Elizabeth Gandolfi	Canadian Western Bank
	Rahul Kakar	Chubb Life Insurance Company of Canada
	Heather McLachlin	CUMIS/The Co-operators
	Peter Thompson	National Bank Insurance
	Julie Gaudry	RBC Insurance
	Nigel Branker	Securian Canada
	Valerie Gillis	TD Insurance
	Louie Georgakis	The Canada Life Assurance Company

Virtually:	Konstance Allain	CIBC
	Simon Lacroix-Hubert	Desjardins
	Andrew Kugler	Manulife Financial
	Wayne Hewitt	Scotia Insurance

Regrets:	Paul Cosgrove	Assurant
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Also Present:	Rob Dobbins, Secretary
	Karyn Kasperski, Vice-Secretary
	Donnald Hinnecke, Treasurer
	Keith Martin, Executive Director
	Robyn Jennings, Research Analyst
	Shanay Smith, Operations Manager
	Wendy Bairos, Media Consultant
	Troy Woodland, Association Administrator

Item 1: Welcome, Call to Order, Meeting Confirmation, and Board Constitution Matters

Item 1(a): Welcome and Call to Order

CAFII Board Chair Peter Thompson welcomed all to this meeting of the CAFII Board of Directors, which was hosted by Securian Canada in Toronto, Ontario, as well as virtually on the Microsoft Teams platform, and called the meeting to order at 3:31 p.m. CAFII's Research Analyst, Robyn Jennings, acted as Recording Secretary.

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Item 1(b): Land Acknowledgement

CAFII Board Member Nigel Branker shared a land Acknowledgement for the meeting.

Item 1(c): Welcome to New CAFII Director Elizabeth Gandolfi (Canadian Western Bank)

CAFII Board Chair Peter Thompson welcomed CAFII's New Director, Elizabeth Gandolfi (Canadian Western Bank), who joined in-person. E. Gandolfi was officially voted onto CAFII's Board of Directors by electronic vote on April 9/2024. E. Gandolfi made some brief introductory comments.

Item 1(d): Declaration of Meeting Properly Called and Constituted

Board Secretary Rob Dobbins confirmed that there was a quorum of Board members present for the meeting with 9 members present in-person and 4 members present virtually, and that the meeting had been properly called and constituted.

Item 1(e): Approval of Agenda

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the meeting Agenda be and is approved.*

Item 1(f): Review and Acceptance of CAFII Competition Law Policy

CAFII Board Chair Peter Thompson updated the Board on the CAFII Competition Law Policy, which was distributed to all Board members via email prior to the meeting. P. Thompson summarized the policy, which was first adopted on April 3/2008. The policy stipulates that the Association's Directors and other Member representatives who participate in the Association's affairs must avoid the following:

- Making or discussing any agreements on prices, premiums, fees, or products;
- Exchanging cost information (with the intent to fix prices or reduce competition);
- Restricting independent dealing with industry suppliers; and,
- Precluding, arbitrarily, participation in CAFII in a manner that may limit competition.

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the CAFII Competition Law Policy be and is approved.*

Item 1(g): Appointment of 2024-2025 CAFII Officers

CAFII Board Chair Peter Thompson informed the Board that it must appoint volunteer officers of the Association for 2024-2025. The following volunteer officer positions and the Nominating Committee's proposed slate of 2024-2025 Officers are listed below:

- Board Chair: Valerie Gillis (TD Insurance)
- Board Vice-Chair: Paul Cosgrove (Assurant Canada)
- Board Secretary & Executive Operations Committee Chair: Karyn Kasperski (RBC Insurance)
- Vice-Board Secretary & Vice-Executive Operations Committee Chair: John Burns (Securian Canada)
- Treasurer: Donald Hinnecke (RBC Insurance)

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the proposed slate of Volunteer Officers of the Association for 2024-2025 be and is approved.*

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Peter Thompson congratulated Valerie Gillis, thanked Rob Dobbins for his service, and congratulated Karyn Kasperski and John Burns.

With the passage of this motion, Peter Thompson passed the meeting over to new CAFII Board Chair Valerie Gillis who chaired the remainder of the meeting.

Item 2: Consent Items

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the Consent Agenda items itemized below be and are approved or received for the record, as indicated in the Action column in the Consent section of the agenda.*

- a. Draft Minutes, April 9/24 CAFII Board Meeting
- b. Summary of Board and EOC Action Items
- c. April 2024 and May 2024 Regulatory Updates
- d. Consultations/Submissions Timetable
- e. Regulator and Policy-Maker Visit Plan Recap
- f. Committee Reports Addressing CAFII Priorities
- g. Board-Approved CAFII 2024 Schedule of Meetings and Events

*Further, **IT WAS RESOLVED** that the minutes of the meeting of the CAFII Board of Directors held April 9, 2024, be and are adopted in the form presented and that copies of those minutes be signed and placed in the minute book of the Corporation.*

Item 3: Governance Matters

Item 3(a): Update on CAFII New Hires Meetings with EOC Members One-on-One Over Course of 2024

CAFII Operations Manager Shanay Smith and CAFII Research Analyst Robyn Jennings updated the Board on their one-on-one EOC meetings over the course of 2024. S. Smith explained that her meetings are focused on CAFII's operations while R. Jennings' are focused on research and education. She then informed the Board that both have received a lot of good feedback, and R. Jennings noted that these meetings have also been helpful in facilitating stronger professional relationships with the EOC members.

Item 3(b): CAFII Succession Plan

CAFII Executive Director Keith Martin updated the Board on CAFII's succession plan, which was prompted by the new management structure implemented in 2023. K. Martin has been working with former CAFII EOC Chair Rob Dobbins and former CAFII EOC Vice-Chair Karyn Kasperski to draft the succession plan. The primary goal of the succession plan is to mitigate risk if the executive director has a sudden unplanned departure. The EOC has endorsed the current plan.

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the CAFII Succession Plan be and is approved.*

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Item 4: Financial Management

Item 4(a): CAFII Financial Statements as at May 31/24

CAFII Treasurer Donald Hinnecke provided an overview of the Association's financial statements as at May 31/24, noting that the Association's finances were in a strong position, with additional revenues that was unaccounted for in the budget due to new members joining, higher investment earnings than expected, and effective expense management. There was a cost overrun for the Annual Members' Luncheon, but this will be offset by prudent expense management in other areas. An expense of 30K has been allocated for legal fees in the operating budget, however, there is nothing to suggest currently that CAFII will need to spend this.

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the CAFII financial statements as at April 30/24 be and are approved.*

Item 4(b): Forecast for CAFII 2023 Fiscal Year as at April 30/24

CAFII Treasurer Donald Hinnecke provided an update on the forecast for CAFII's 2024 fiscal year, noting that revenue was ahead of expectations due to higher investment income and additional members and Associates. CAFII is well positioned for ending 2024 with a lower than budgeted deficit.

Item 5: Strategic and Regulatory Matters

Item 5(a): CAFII 3-5 Year Strategic Plan Review – Next Steps

CAFII Executive Director Keith Martin updated the Board about the next steps around reviewing CAFII's 3-5 year Strategic Plan. At the April Board meeting it was agreed that the plan would be reviewed by the EOC first before asking for Board approval. After conversations with the EOC and the EOC Chair and Vice-Chair, it was determined that it was not necessary to call a special-purpose Board or EOC meeting to review the plan, as there appeared to be general satisfaction with the plan and the direction of the Association, and the proposed changes to the plan were mostly tweaks. As such, there was no urgency to the review of the plan. Future EOC meetings will discuss the plan until there is a consensus on it, and the intention is to present the final plan to the Board at the October 8, 2024 Board meeting, for approval.

Item 5(b): Discussion with AMF Around Cancellation of Spousal Coverage

CAFII Executive Director Keith Martin updated the Board on CAFII's discussion with the AMF around the cancellation of spousal insurance coverage. Presently, the deadline for the cancellation of spousal insurance coverage remains January 1/25. CAFII held a meeting with the AMF during which Natalie Sirois and Véronique Martel stated that all credit card policies must be canceled by January 1, 2025. K. Martin asked if the AMF would consider a three-year extension, and the AMF said they would be open to this. However, the AMF has yet to formally commit to a deadline extension. CAFII wrote a letter to the AMF detailing why CAFII was requesting the three-year extension, and K. Martin spoke in person to Véronique Martel at the CLHIA Conference, and Ms. Martel said that a letter from the AMF was forthcoming, that it would be consistent with the understanding at the virtual meeting recently held, and there would be "no surprises." The holdup, she added, was that Patrick Déry wanted AMF President and CEO Yves Ouellet to be advised of the AMF approach.

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Item 5(c): Discussion with the Insurance Council of British Columbia on its Initiative Around a Restricted Insurance Agency (RIA) Regime

CAFII Executive Director Keith Martin updated the Board on CAFII's discussions with the Insurance Council of British Columbia on its initiative around a restricted insurance agency (RIA) regime. CAFII met with the Insurance Council a year ago, where they introduced the concept of knowledge requirements for an unlicensed individual offering authorized insurance in a Restricted Insurance Agency regime in BC. CAFII shared that it felt the requirements were too onerous for an unlicensed individual, and was concerned about the expectation of a third-party test being administered. CAFII met with the Insurance Council again in April to discuss the updated proposed RIA regime, which was very similar to their original proposal year ago. CAFII is, therefore, drafting a letter to the Insurance Council expressing concerns that this regime is unharmonized, burdensome, and unnecessary because it is treating unlicensed individuals as licensed individuals. Since the April conversation, Janet Sinclair, President & CEO of the Insurance Council of BC, and Director Brett Thibault from the Council, had lunch with K. Martin. J. Sinclair indicated that her team miscommunicated some issues in April, particularly that companies with an RIA regime need to have their unlicensed individuals tested against knowledge criteria through a third-party test. J. Sinclair explained that, if everyone can agree on the criteria and if CAFII members are training staff on those criteria, then CAFII's members can use their own internal training tests. While a positive development, CAFII still intends to send the Insurance Council of BC a detailed letter on its concerns around the regime as currently envisioned.

Item 5(d): Recommendation to the Board About Contract with Managing Matters

CAFII Executive Director Keith Martin informed the Board that CAFII management is recommending extending its contract with Managing Matters by three years. Managing Matters is dedicated, responsive, and effective when it comes to event planning, internal support, and general member communications. The extension plan was presented to the EOC, which endorsed the recommendation. If the Board approves, K. Martin will still need to negotiate the details of the contract with Managing Matters.

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the extension of the Managing Matters contract by three years be and is approved.*

Item 5(e): Recommendations Around CAFII's Media Strategy

CAFII Media Consultant Wendy Bairos updated the Board on CAFII's recommendations around its media strategy. While CAFII is very strong in terms of its regulatory relationship, there is a sentiment that CAFII could engage more with Canadians by taking an educational role as part of its mandate. CAFII typically takes a cautious approach to media, and W. Bairos suggested that a slightly more assertive approach be taken by developing an Op-Ed Article. The LIMRA research could be an option as a topic since it is new, relevant, and insightful. If CAFII did do an Op-Ed, Board input would be requested. It was suggested that a next step is to produce an article for review by the Media Advocacy Committee and the EOC.

Item 5(f): CAFII's Update Around 2024 Research

CAFII's Executive Director Keith Martin updated the Board on CAFII's 2024 research options. The Research & Education Committee held several meetings to discuss the research topic for 2024, during which CAFII received positive feedback on its previously published LIMRA research. The Committee will continue to meet to

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determine what direction CAFII will take for its 2024 research, with a meeting set up for June 17, 2024 to review proposals from three vendors who have done research for CAFII in the past.

Item 5(g): Multiple Complaints Regimes in Place for CAFII Members

CAFII Executive Director Keith Martin provided an update on the multiple complaints regimes in place for CAFII members. The EOC has discussed the challenges presented by the different definitions of complaints, the timing differences for resolving complaints, and the different complaints reporting requirements. This will continue to be monitored and discussed.

Item 5(h): Plans for Immediately Ensuring Reception with Lesli Martin, Senior Vice-President, Pollara Insights

CAFII Operations Manager Shanay Smith informed the Board about the plans for the immediately ensuing reception after the Board meeting, at which a presentation will be made by Lesli Martin from Pollara Insights.