

EXECUTIVE OPERATIONS COMMITTEE IN-PERSON AND VIRTUAL MEETING
CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE
Tuesday, November 14, 2023, 2:00-4:00pm
At the offices of Chubb Insurance, 25th Floor, Commerce Court West, Toronto
MINUTES

EOC Present:	Rob Dobbins	Assurant and EOC Chair
In-Person & Virtually	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
	Afzal Baig	Chubb Life Insurance Company of Canada
	John Juba	Chubb Life Insurance Company of Canada
	David Self	CIBC Insurance
	Konstance Allain	CIBC Insurance
	Lauren Ross	CIBC Insurance
	Cassandra Litniansky	CUMIS/The Co-operators
	Michelle Costello	CUMIS/The Co-operators
	Isabelle Choquette	Desjardins Insurance
	Janet Pacini-Thibodeau	Manulife Financial
	Katia Umutoniwase	Manulife Financial
	Sharon Murrell-Foster	Manulife Financial
	Suzie Blanchard	Manulife Financial
	Jonathan Poulin	National Bank Insurance
	Charles MacLean	RBC Insurance
	Shannon Dowe	RBC Insurance
	John Burns	Securian Canada
	Brad Kuiper	ScotiaLife Financial
	Prithipal Rajasekaran	ScotiaLife Financial
	Sean Kradjian	ScotiaLife Financial
	Andrea Stuska	TD Insurance
	Fergal Murphy	TD Insurance
	Peter Thorn	TD Insurance
	Fay Coleman	TD Insurance
	Jason Beauchamp	The Canada Life Assurance Company
	Marco DeiCont	Valeyo
Regrets:	Farhad Eslah	Canadian Tire Financial Services
	Catherine Latulippe	Canadian Tire Financial Services
	Cynthia Golubic	Canadian Tire Financial Services
	Almas Satwat	CUMIS/The Co-operators
	Diane Quigley	CUMIS/The Co-operators
	Nathalie Baron	Desjardins Insurance
	Pierre-Olivier Cyr	Desjardins Insurance

Carmelina Manno	Manulife Financial
Ivan Murray	National Bank Insurance
Fernando Heleno	RBC Insurance
Iman Muntazir	RBC Insurance
Stacey Hughes-Brooks	RBC Insurance
Alfonzo Movilla	ScotiaLife Financial
Mais El-Magraby	ScotiaLife Financial
Asma Desai	Securian Canada
Deliska Beauregard	Securian Canada
Maira Gill	TD Insurance
Dallas Ewen	The Canada Life Assurance Company
Catherine Laspina	The Canada Life Assurance Company
Jacqlyn Marcus	Valeyo

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

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

Item 1 (a): Call to Order and Welcome to New EOC Members

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;
- November 2023 Regulatory Update ;
- Regulator and Policy-Maker Visit Plan Recap;
- 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 October 31/23

CAFII Treasurer Donald Hinnecke provided an update on CAFII's financial statements as at October 31/23, noting that the Association was in a strong financial position and was tracking closely to budget without any significant variances so far this year. CAFII's investment income was higher than planned due to the purchase of a GIC at a higher rate than budgeted, and CAFII also had additional revenue due to one additional initiation member. Expenses are tracking as expected, with the expectation that the legal fees line will be lower than budgeted. On a year-to-date basis, CAFII is substantially ahead of plan.

The operations ratio is at 61%, which is above the range of 25-50%. The Association should end the 2023 year in a healthy capital position.

Item 3 (b): Forecast for CAFII 2023 Fiscal Year as at October 31/23

CAFII Treasurer Donald Hinnecke projected that CAFII will remain in good financial shape over the remaining month and a half of 2023, thanks to modest incremental revenue (higher member dues and interest income) and prudent expense management. The Association is forecasted to end the fiscal year with a higher level of financial reserves as a percentage of annual operating expenses than budgeted for.

Item 3 (c): 2024 CAFII Operating Budget

CAFII Treasurer Donald Hinnecke explained that CAFII's 2024 revenue is going to be lower than last year due to two members consolidating into one, resulting in the loss of revenue of one lower-tier member. CAFII is not expecting any membership fee increases for 2024 for members. There is a modest fee increase projected for Associates.

CAFII Co-Executive Director Keith Martin explained some of the major features of the proposed budget for 2024. Overall, the budget intends to continue with the major spending initiatives from recent years, including investing in the front-end website and a major research initiative. There is a one-time 40k fee for the rebuild of CAFII's backend website. Based on last year's spending, K. Martin has reduced CAFII's legal fees from 90k to 30k. On revenue, the loss of Valeyo as a member is potentially offset by the addition of Canadian Western Bank as an initiation member. Finally, no funds were allocated for regulatory tours in 2024, but provisions were made for the CAFII management team to attend the CLHIA Compliance and Consumer Complaints conference in Vancouver in May 2024 and for additional trips by K. Martin to Quebec to meet with the AMF.

Item 3 (d) Updated Critical Path for Development and Approval of CAFII 2024 Operating Budget

CAFII Co-Executive Brendan Wycks explained that the Updated Critical Path will be circulated to all EOC members to provide feedback on the Proposed Budget, with a deadline of a week for comments. The objective is to have a draft budget prepared by November 28/23 to finalize and include for the final Board of Directors Meeting on December 5, 2023.

Item 4: Committee Updates

Item 4 (a): Diversity, Equity, and Inclusion

DEI Working Group Chair Tejal Harri-Morar provided a written update on the recent activities of the DEI Working Group.

Item 4 (b): Marketing Conduct & Licensing

i. Plans for In-Person/Hybrid Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to FSRA Staff Executives on November 15/23

CAFII Co-Executive Director Keith Martin reported that CAFII will be presenting its regulatory and policy-maker deck to FSRA on November 16/23, with many members of FSRA's senior team expected to be in attendance. This presentation will conclude CAFII's 2023 Regulatory and Policy-Maker Tours.

ii. Outcomes of Committee Meeting Re CCIR Consultation on Type and Nature of Complaints to Be Disclosed Through Annual Statement on Market Conduct (ASMC) via Complaint Report Tool (Original Submission Deadline of November 3/23 Extended to November 17/23)

CAFII Co-Executive Director Keith Martin reported that, after receiving excellent feedback and input from the Market Conduct & Licensing Committee, he has put together a letter to CCIR, which has been circulated, explaining our members' concerns with their proposed new initiatives around complaint reporting. The letter will express CAFII's members' sentiment that the new request from CCIR is not something that is achievable and would require significant changes and investments to IT and processes from our members.

iii. Ontario Government Consultation on Changing Minimum Time Period for Consultations From 90 days to 60 days (Submission Deadline: December 4/23)

CAFII Co-Executive Director Keith Martin explained that, since the Ontario government has proposed reducing the consultation period for new rules from 90 to 60 days, CAFII will express its concern over this time reduction and recommend that FSRA ensure that it has the necessary processes in place to provide as much pre-consultation dialogue as possible to industry so that industry can prepare for changes with a longer timeline. The submission deadline for this consultation is December 4/23.

iv. Insights Gained from November 2/23 FSRA Life and Health Insurance Stakeholder Advisory Committee Meeting Re FSRA Consultation on "2024-25 Statement of Priorities and Budget" (Submission Deadline: November 13/23), and Update on CAFII's Submission

CAFII Co-Executive Director Keith Martin reported that FSRA has received CAFII's submission regarding its "2024-25 Statement of Priorities and Budget." FSRA has not yet provided feedback or an official response to CAFII's input.

v. CAFII Written Submission to FCNB on Ongoing Issues/Concerns Re Rule INS-001 and FCNB Portal Process for Obtaining Restricted Insurance Representatives (RIR) Licences

CAFII Co-Executive Director Keith Martin reported that, during the Atlantic Regulatory Tour, CAFII expressed to the FCNB that its new RIR regime wasn't as harmonized with the regimes in place elsewhere as CAFII would have liked, and there were implementation challenges, especially around the portal to register with FCNB as a licensee. Co-Executive Director Brendan Wycks asked if CAFII could make a written submission to the regulator detailing how the consultation and implementation could have gone better, in particular with respect to the concerning clause mandating that consumers be told that they may wish to consult with a licensed individual before purchasing credit protection insurance. The FCNB Superintendent agreed to receiving such a letter, which will be drafted with input from the Market Conduct & Licensing Committee.

vi. Plans for CAFII Hybrid Presentation of 2023 Research Results-Focused PowerPoint Deck to FCAC Staff Executives in Q1 2024

CAFII Co-Executive Director Keith Martin reported that CAFII has not had an in-person meeting with the FCAC since 2020 and that the timing might be right to reach out to Judith Robertson about making a presentation in Ottawa in 2024. K. Martin highlighted the importance of reestablishing CAFII's relationship with the FCAC and reopening channels of communication and dialogue. K. Martin also mentioned the possibility of asking Judith Robertson to be the keynote speaker at CAFII's May 28/24 Annual Members and Associates Luncheon.

vii. Insights Gained from November 1/23 FCAC In-Person Launch Event for Financial Literacy Month in Ottawa

CAFII's Research Analyst Robyn Jennings provided a written summary of the insights gained from her attending in Ottawa of the FCAC's Launch of the Financial Literacy Month on November 1/23.

Item 4 (c): Quebec/AMF Issues

i. CAFII-Commissioned RSM Canada Study on Attrition Rate of Spousal Insurance Policies in Quebec and Related Projections to 2030

Quebec/AMF Issues Committee Chair Jennifer Russell and Co-Executive Director Keith Martin reported that the Committee is currently tracking the approaching due date for spousal coverage withdrawal and asked all members to submit their policy attrition data to the consulting firm, RSM Canada, which is preparing a study on the attrition of spousal policies.

The Committee is also tracking the draft regulation from the AMF with respect to changes to the guidelines on complaints procedures. Jason Beauchamp commented that, after a meeting with the AMF, he learned that the Regulator does not intend to release the guideline until January 2024.

ii. Plans for Hybrid Get Acquainted and Dialogue Meeting with AMF's New CEO Yves Ouellet

Co-Executive Director Keith Martin reported that AMF's new CEO, Yves Ouellet, has agreed to meet with CAFII in December; it will be a small in-person meeting at the AMF's offices in Montreal, Quebec but will have a option for all board members to join virtually.

Item 4 (d): Media Advocacy

i. Welcome to and Dialogue with Wendy Bairos, New CAFII Media Consultant

Co-Executive Director Keith Martin introduced CAFII's new Media Consultant, Wendy Bairos. W. Bairos spoke briefly about her communications vision for CAFII.

Item 4 (e): Research & Education

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

The Chair of the Research & Education Committee Andrea Stuska reported that LIMRA has collected all the responses from the survey and is now in the process of developing the report.

Item 4 (f): Networking & Events

i. Insights Gained from October 26/23 CAFII Webinar on "Words Matter" with Elissa Gurman, MacPhie Consulting

Co-Executive Director Keith Martin informed the EOC of the insights gained from CAFII's "Words Matter" webinar with Elissa Gurman that took place on October 26/23. This was a very successful webinar with a high attendance, including regulators and policy-makers. CAFII's research analyst Robyn Jennings has produced a written summary of the webinar that will be available on CAFII's website.

Item 4 (g) Travel Insurance Experts

There were no updates for this agenda item.

Item 6: Governance Matters

Item 6 (a): Board Appointment of New CAFII Director from Manulife

CAFII's Operations Manager Shanay Smith reported that, by electronic BOD vote, Andrew Kugler (Vice President, Head of Distribution and Affinity Markets Canada, Manulife) has been appointed CAFII's new Director from Manulife as of November 9th. Out of 14 Board votes, 12 were received in favour of A. Kugler's appointment.

Item 6 (b): Implementation of New CAFII Management Structure, Including Development of Comprehensive "Policies and Procedures Manual"; and Development of Document Re 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 has been developing a Policies & Procedures (P&P) manual to document all of CAFII's critical procedures, policies, and outputs. As Brendan Wycks' retirement approaches, K. Martin will focus on establishing a succession plan for CAFII for 2024, which will be brought forward at a subsequent EOC meeting.

Item 6 (c): Draft Minutes of October 10/23 Board Meeting

The EOC endorsed the minutes of the October 10/23 CAFII Board Meeting, for presentation to the Board for approval at its next meeting.

Item 6 (d): Draft Minutes of October 24/23 EOC Meeting

The EOC approved the minutes of the October 24/23 CAFII EOC Meeting.