

CAFII Executive Operations Committee Virtual Meeting

Tuesday, May 25, 2021

Minutes

EOC Present:

Rob Dobbins, Assurant Canada (Chair)
Tony Pergola, ScotiaLife Financial (Treasurer)
Charles Blaquiere, Valeyo
Dana Easthope, Canadian Premier Life
Carmelina Manno, ManuLife
Sharon Apt, Canada Life
Dallas Ewen, Canada Life
Katia Umutoniwase, Manulife
Charles MacLean, RBC Insurance
Marie Nadeau, National Bank Insurance
Scott Kirby, TD Insurance
Anaar Jessa, Sun Life
Anu Bains, CIBC Insurance
Ben Gray, CIBC Insurance
Martin Boyle, BMO Insurance
Monika Spudas, Manulife
Kamana Tripathi, TD Insurance
Michelle Costello, CUMIS Services Inc.
Emily Brown, Sun Life
Isabelle Choquette, Desjardins Insurance
Karyn Kasperski, RBC Insurance
Anita Mukherjee, RBC Insurance
Penny Cordogiannis, RBC Insurance
Casandra Litniansky, CUMIS Services Inc.

Also Present:

Brendan Wycks, *Co-Executive Director*
Keith Martin, *Co-Executive Director*

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. CAFII Outreach to EOC Members Re Creating Better Engagement and Succession Pipeline of CAFII Committee Chairs and Other Volunteer Leadership Roles; and Need to Secure Near-Term Successor Chairs for Two CAFII Committees: Resulting New Committee Chair and Vice-Chair Appointments (EOC Approvals Required); and New Committee Member Appointments

Rob Dobbins and Brendan Wycks updated the EOC on the successful effort to produce a succession pipeline of CAFII Committee Chairs and other volunteer roles. Nearly all Committees now had a Chair and a Vice-Chair, and the list of new volunteer leaders was read out to EOC members.

The EOC made the following Committee Chair and Vice-Chair appointments:

- Chair of Media Advocacy Committee: Anita Mukherjee, RBC Insurance;
- Chair of Travel Insurance Experts Working Group: Katia Umutoniwase, Manulife;
- Vice-Chair of Media Advocacy Committee: Scott Kirby, TD Insurance;
- Vice-Chair of Market Conduct & Licensing Committee: Fay Coleman, TD Insurance; and
- Vice-Chair of Research & Education Committee: Michelle Costello, CUMIS Services Inc.

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

2. Financial Management Matters

3. a. CAFII Financial Statements as at April 30/21

CAFII Treasurer Tony Pergola provided an update on the Association's financial position as at 30 April, 2021. He noted that year-to-date revenues were \$313K, and expenses were \$233K, resulting in a surplus of \$79K. Part of the favourable variance was due to timing around expenses, along with the Association having successfully attracted four new Associates.

3.b. Forecast For CAFII 2021 Fiscal Year as at April 30/21

CAFII Treasurer Tony Pergola noted that CAFII's total revenue for the 2021 fiscal year was expected to be \$938K versus a budgeted \$919K. Forecasted expenses were \$836K, leading to a projected surplus of \$101K versus a budgeted surplus of \$78K. The forecasted level of financial reserves at December 31, 2021 was 55% of annual operating expenses.

4. Committee Updates

4.a. Research & Education

4.a.i. Next Steps Arising From Results Report From CAFII Research Project On Insurance Consumers' Digitization Preferences: Webinar Presentation to Insurance Regulators and Policy-Makers; Public Release; and Media Release

Andrea Stuska, Chair of the Research & Education Committee, updated the EOC on next steps on the CAFII-commissioned Pollara research study on CPI consumers' digitization preferences, noting that the Board would be asked to formally approve public release of the study. When that approval was obtained, the first step would be to organize a webinar with regulators and policy-makers to present the findings to them ahead of any public release. Soon after, the research results would be posted on the CAFII website, and a press release on the major findings of the study would be shared with media.

[Action Item: Obtain Board approval for the Action Plan for the public release of the CAFII research results; B. Wycks, K. Martin, June 7, 2021.]

4.b. Media Advocacy

4.b.i. New Motion Graphics Website Video on Results of Research Project On Insurance Consumers' Digitization Preferences

Keith Martin updated the EOC on the intention to create a new motion graphic website video on the major results of the recent CAFII research on CPI consumers' digitization preferences.

[Action Item: Develop with Operatic Agency a new motion graphic website video on the Pollara consumers' digitization preferences; B. Wycks, K. Martin, Summer, 2021.]

4.c. Market Conduct & Licensing

Brad Kuiper, Chair of the Market Conduct & Licensing Committee, reported that there were many active consultation and regulatory files on the go, including the response to the AMF on the application of the RADM to credit card-embedded insurance benefits; the response to FSRA on its questions about the Unfair or Deceptive Acts or Practices (UDAP) Rule; the questions asked of CAFII by David Weir, FCNB related to that province's Insurance Act rewrite and intention to launch an Restricted Insurance Agent licensing regime in New Brunswick; the monitoring and response drafting work related to the FCAC's Appropriateness Guideline; a just-launched consultation by CISRO on Principles of Conduct for Intermediaries; and the Insurance Councils of Saskatchewan's intention to launch imminently its Restricted Insurance Agents Advisory Committee.

4.d. Travel Insurance Experts

It was noted that Katia Umutoniwase of Manulife had just been appointed as Chair of this Committee, and she would therefore become an *ex officio* member of the EOC and would be reporting on her committee's activities at future EOC meetings.

4.e. Networking & Events

Scott Kirby, Chair of the Networking & Events Committee, reported that three interesting CAFII webinars were in the works for early June, taking place on June 3/21, June 9/21, and June 15/21 respectively.

4.e.i. June 3/21 CAFII Webinar On RIA Licensing Regimes in Canada

Keith Martin reported that CAFII had scheduled a webinar for 3 June, 2021 on RIA licensing regimes in Canada, with panelists Joanne Abram, CEO, Alberta Insurance Council (AIC); April Stadnek, Director of Compliance & Enforcement, Insurance Councils of Saskatchewan (ICS); and Barbara Palace Churchill, Executive Director, Insurance Council of Manitoba.

4.e.ii. June 9/21 CAFII Webinar On The Future Of Travel and Travel Insurance As The World Emerges From The Global Pandemic

Keith Martin updated the EOC on the upcoming CAFII webinar on the future of travel and travel insurance post-COVID, with panelists Will McAleer, Executive Director of the Travel Health Insurance Association of Canada and President of World Travel Protection; Joan Weir, Director of Health & Disability Policy at CLHIA (Canadian Life & Health Insurance Association); Katia Umutoniwase, Director of Operations & Portfolio Optimization at Manulife, and Chair of CAFII's Travel Insurance Experts Working Group; and David Moorcroft, Founder of Strategy2Communications(S2C), Host of "The Business of Blockchain" Podcast," and CAFII's media consultant.

4.e.iii. June 15/21 CAFII Webinar On Results of CAFII Research Project On Insurance Consumers' Digitization Preferences

Keith Martin updated the EOC on CAFII's intention to hold a 15 June, 2021 webinar – primarily for an insurance regulators and policy-makers audience -- on the major findings of the CAFII research project on CPI consumers' digitization preferences.

5. Recent and Upcoming Strategic and Regulatory Initiatives

5.a. CAFII Board Decision On Legal Arguments/Opinion To Oppose AMF's Interpretation on RADM's Applicability to Credit Card-Embedded Insurance Benefits and Resulting Regulatory Expectations

Keith Martin updated the EOC on the CAFII Board's decision at its May 19/21 Special Purpose Board Meeting to proceed with retaining Norton Rose Fulbright to deliver a legal opinion on CAFII's legal options around the AMF's position that the RADM applies to credit card-embedded insurance benefits.

The Board did not indicate that it would necessarily use the legal opinion in any way, but felt it would be worthwhile to hear what its legal options are. The Board is aware of the CAFII Working Group on Industry Alignment Around Compliance with AMF's Expectations Re RADM's Applicability to Credit Card-Embedded Insurance Benefits, and supports the continuation and progress of that initiative, Mr. Martin advised.

5.b. CAFII 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 updated the EOC on CAFII's intention to send a letter to the AMF requesting an extension to the stipulated September 17/21 deadline for affected insurers to submit product summaries and an action plan. The letter will be factual and focused only on the extension request, and will ask for a three-month extension from 17 September 2021 to 17 December 2021.

[Action Item: Share the draft deadline extension request letter to the AMF with the Board for approval; and then send the final approved letter to the AMF; B. Wycks, K. Martin, May-early June, 2021.]

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

Keith Martin updated the EOC on CAFII's request to the CBA that it engage in the credit card-embedded insurance benefits issue. CAFII wrote the CBA an email on 14 April, 2021, and received an acknowledgement of the request on 21 April, 2021, but has not heard further from the CBA since then. However, at the 19 May, 2021 Special Purpose CAFII Board Meeting, several Board members said that they were aware that the CBA was investigating getting engaged on this issue and that this was being actively reviewed by the CBA.

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

Keith Martin provided an update on the new CAFII Working Group that will seek industry alignment around compliance with the AMF's expectations arising from its view that the RADM applies to credit card-embedded insurance benefits.

The Working Group has developed its mandate, its membership is complete, and it has met twice. The Working Group will be co-chaired by Karyn Kasperski of RBC Insurance and Scott Kirby of TD Insurance.

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

Keith Martin provided an update on the new Working Group that had been created on the FCAC's Appropriateness Guideline, with its objective being to develop potential approaches to compliance for credit protection insurance products. The Working Group's mandate has been developed, its membership is complete, and the first meeting of the group has been held. The Working Group will be chaired by former EOC Chair Martin Boyle of BMO Insurance.

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

Brendan Wycks provided an update on recent learnings from the weekly calls on travel insurance involving CAFII, CLHIA, and THIA. He noted that the Canada-US border's re-opening was an item being carefully reviewed, but Global Affairs Canada had not provided updates on this or any other matters of late.

6. Governance Matters

6.a. CAFII 2021 Annual Meeting of Members on June 8, 2021

Brendan Wycks provided an overview of the upcoming 8 June, 2021 Annual Meeting of Members.

6.b. CAFII Negotiation of Association Management Services Contract Renewal With Managing Matters

Keith Martin reported that CAFII's contract with Association Management Company Managing Matters expires on 31 December, 2021. CAFII management is very satisfied with Managing Matters and proposes that the EOC recommend to the Board that CAFII renew its contract for a further three years. The EOC was supportive of that proposed direction; and recommended that CAFII management make a proposal to that effect to the CAFII Board at its next meeting.

6.c. Application Review and Admission of Norton Rose Fulbright (NRFC) As A New CAFII Associate

As Norton Rose Fulbright had not yet submitted its completed CAFII Associate Status Application Form at the time of this meeting, this item was deferred to the 22 June, 2021 EOC meeting.

6.d. New CAFII Initiation Member: Canadian Tire Bank (CTB)

Brendan Wycks reported that Canadian Tire Bank (CTB) had recently made an application to be a new CAFII Initiation Member. Subsequently, CAFII's Membership Applicant Review Committee held a productive dialogue meeting with two CTB staff executives on their company's application, and a recommendation will be made shortly to the Board that CTB be admitted as a new CAFII Initiation Member.

6.e. Draft Minutes of April 27/21 EOC Meeting

The EOC approved the draft minutes of the 27 April, 2021 EOC meeting.

6.f. Draft Minutes of May 19/21 Special Purpose Board Meeting

The EOC endorsed the draft minutes of the 19 May, 2021 Special Purpose Board Meeting, for presentation to the Board for approval at its next meeting.