

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

Tuesday, November 23, 2021, 2:00-4:00pm

MINUTES

EOC Present:

Rob Dobbins	Assurant and EOC Chair
Karyn Kasperski	RBC Insurance and Vice Chair
Tony Pergola	ScotiaLife Financial and Treasurer
Anuraj Bains	CIBC Insurance
Sharon Apt	The Canada Life Assurance Company
Martin Boyle	BMO Insurance
Emily Brown	Sun Life
Isabelle Choquette	Desjardins Insurance
Farhad Eslah	Canadian Tire Financial Services
Dallas Ewen	The Canada Life Assurance Company
Moiria Gill	TD Insurance
Ben Gray	CIBC Insurance
Casandra Litniansky	CUMIS/The Co-operators
Charles MacLean	RBC Insurance
Carmelina Manno	Manulife Financial
Katia Umutoiwase	Manulife Financial
Fay Coleman	TD Insurance
Asma Desai	Canadian Premier Life Insurance Company
Jonine McGregor	Canadian Tire Financial Services
Stacey Hughes-Brooks	RBC Insurance
Fergal Murphy	TD Insurance
Andrea Stuska	TD Insurance
Peter Thorn	TD Insurance
Marie Nadeau	National Bank Insurance
Michelle Costello	CUMIS/The Co-operators
Marco DeiCont	Valeyo
Penelope Cordogiannis	RBC Insurance
Anaar Jessa	Sun Life
Brad Kuiper	ScotiaLife Financial
Edward Kuo	Sun Life

Regrets:

Vivek Sahni	RBC Insurance
Monika Spudas	Manulife Financial
Aneta Murphy	ScotiaLife Financial
Aanchal Gulia	Sun Life
Esther Lee	CIBC Insurance
Diane Quigley	CUMIS/The Co-Operators
Shawna Sykes	The Co-operators
Mindy Tarantelli	ScotiaLife Financial
Susanne Oleksandriw	Sun Life

Nathalie Baron	Desjardins Insurance
Caroline Cardinal	National Bank Insurance
Corrine Gagné	Canadian Tire Financial Services
Fernando Heleno	RBC Insurance

Also Present: Brendan Wycks, *Co-Executive Director*
Keith Martin, *Co-Executive Director*
Jake Becker, *Association Coordinator*

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

Item 1 (a): Call to Order

EOC Chair and Board Secretary Rob Dobbins called the meeting to order at 2.02pm.

Item 1 (b): Appointment of Vice-Chair of Networking & Events Committee: Marco DeiCont, Valeyo

Rob Dobbins welcomed Marco DeiCont as the new Vice-Chair of the Networking & Events Committee.

Item 1 (c): Members' Contributions to CAFII's Advancement Through Contribution of Volunteer Resources to Committee Chair, Committee Vice-Chair, and Committee Member Roles: Current Status and Next Steps Needed

Rob Dobbins provided an overview of the effort to reinforce the membership of CAFII Committees and Working Groups, including appointing a Chair and Vice-Chair for every Committee. Mr. Dobbins noted that the Association was still searching for a Chair and Vice-Chair of the Media Advocacy Committee.

Item 2: Consent Items

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

- Consultations/Submissions Timetable;
- Regulatory Update;
- October 25/21 CAFII Response Submission to AMF on "Concrete Examples of Regulatory Burden Reduction Opportunities";
- October 29/21 CAFII Response Submission to FSRA on "FY2022-23 Statement of Priorities and Budget";
- November 18/21 CAFII Response Submission to FSRA on "Proposed Innovation Framework";
- Regulator and Policy-Maker Visit Plan;
- Summary of Board and EOC Action Items;
- Board-Approved Schedule of CAFII 2021 Meetings and Events.

Item 3: Financial Management Matters

Item 3 (a): CAFII Financial Statements as at October 31/21

CAFII Treasurer Tony Pergola reported that the actuals as at October 31, 2021 showed revenue of \$80K, and expenses of \$66K, for a surplus of \$13K, which is a positive variance to budget of \$13K. The year-to-date numbers are revenues of \$796K, expenses of \$656K, for a surplus of \$140K, which is a positive variance of \$46K to budget. CAFII revenues are higher due to a new member (Canadian Tire Bank) and

new Associates that were not budgeted for. The financial ratio is 62%, which is above the band of 25-50% that the Association targets.

Item 3 (b): Forecast for CAFII 2021 Fiscal Year as at October 31/21

Treasurer Tony Pergola reported that the projected forecast is for revenues of \$956K, and expenses of \$784K, for a surplus of \$172K. CAFII put aside a contingency fund for travel but that amount will not be spent. The research study budget will be largely spent in 2021 but a portion of the work will be done in 2022 and that portion will be accrued and attributed to the 2022 budget.

Item 3 (c): Proposed CAFII 2022 Operating Budget

CAFII Treasurer Tony Pergola reviewed the proposed 2022 operating budget, noting that it operated on the basis of a return to travel and in-person meetings starting in April, 2022. There are three scenarios or versions of the budget, which differ only in allocating different percentage salary increases for the two CAFII Co-Executive Directors (2%, 3%, 4%). There is a 5% increase in 2022 for the management fees for Managing Matters, based on the term sheet proposal for a three-year contract renewal with management matters (2022-2024). The proposed operating budget if approved would produce a small deficit. The EOC endorsed the operating budget with the three scenarios for the Board to approve.

Item 4: Committee Updates

Item 4 (a): Research & Education

i) CAFII-Commissioned Deloitte Canada Thought Leadership Paper on Trends, Consumer Demands/Expectations, and Best Practices in Digitization of Insurance

Andrea Stuska, Research & Education Committee Chair, and Keith Martin, gave an overview of the progress made thus far on the Deloitte Canada research paper on digitization best practices. Deloitte had now largely completed both the survey and the interviews, and has noted that CAFII members were very engaged in this effort and had shared much valuable information. The Deloitte team was now moving forward on consolidating their initial findings.

Item 4 (b): Media Advocacy

i) Update on CAFII Website Videos on Pollara CPI Digitization Research Results; Job Loss CPI; and Consumer Protections Embedded In CPI

Keith Martin noted that the video on Pollara CPI digitization research results was now posted on the CAFII website, and that development of another video on CPI for job loss was well advanced.

Item 4 (c): Marketing Conduct & Licensing

i. CISRO Survey of Industry Stakeholder Associations on "Understanding the Consumer Awareness Strategies Currently Undertaken By Industry" (Response Deadline: November 30/21)

Brendan Wycks noted that a CISRO survey of industry approaches to financial literacy would be completed by CAFII, and that the only mechanism that CAFII uses to advance financial literacy for consumers is on through its website.

ii. AMF Consultation on "Draft Regulation Respecting Complaint Processing and Dispute Resolution in the Financial Sector" (Submission Deadline: December 8/21)

CAFII was well-advanced in the development of a submission on "Draft Regulation Respecting Complaint Processing and Dispute Resolution in the Financial Sector" and had engaged CAFII members in an

extensive internal consultation in the development of the submission. CAFII is making a submission that expresses major concerns with the very prescriptive approach of this draft regulation.

iii. FCAC Consultation on “Proposed Guideline on Complaint Handling Procedures for Banks and Authorized Foreign Banks” (Submission Deadline: December 11/21)

CAFII is developing a submission response on a “Proposed Guideline on Complaint Handling Procedures for Banks and Authorized Foreign Banks” and will be soliciting feedback from members on the proposed submission.

iv. AMF Consultation on Revised “Sound Commercial Practices Guideline” (Submission Deadline: December 17/21)

The AMF has offered an extension on its original deadline for submissions on a revised “Sound Commercial Practices Guideline” and CAFII will be developing a submission response.

v. FCNB Consultation on “Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations” (Submission Deadline: February 7/22)

CAFII has been dealing with multiple regulatory submissions and has not yet turned to the New Brunswick consultation which includes its proposed approach to a new Restricted Agent Insurance regime, but will be focusing on this in the new year.

vi. OSFI “Draft Guideline B-13: Technology and Cyber Risk Management” (Submission Deadline: February 9/22): Insights As To CAFII Relevance Will Be Gained From November 30/21 OSFI Information Session Webinar

CAFII will be participating in a 30 November, 2021 OSFI webinar on its consultation on “Draft Guideline B-13: Technology and Cyber Risk Management” and will determine after the webinar if this consultation is “in-scope” for CAFII.

Item 4 (d): Travel Insurance Experts

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

Katia Umutoniwase and Brendan Wycks provided an update on the weekly calls on COVID-19 with CLHIA and THIA, noting that the situation with respect to COVID-19 and travel remained fluid and what looked like a smooth emergence from the pandemic was now appearing less certain.

Item 4 (e): Networking & Events

i. Insights Gained from October 25/21 CAFII Webinar on “Provincial Insurance Policy and Regulatory Priorities and Emerging Issues as Canada Emerges from COVID-19”

It was noted that this was a successful webinar that CAFII held with regulators, and that once again this was an excellent method of not only hearing from a regulatory panel, but was also effective in reaching out to a broader group of regulators, with over a dozen regulators from across the country attending the webinar.

ii. Insights Gained from November 9/21 CAFII Virtual Annual Members and Associates Luncheon

It was noted that this virtual luncheon (Zoom webinar) with three senior partner lawyers (Jill McCutcheon, Torys; Stuart Carruthers, Stikeman Elliott; Marc Duquette, Norton Rose) was filled with

insights and interesting observations. While the session in “off the record,” CAFII is attempting to get permission from the lawyers for a high-level summary of the event to be shared with members.

iii. Upcoming November 30/21 CAFII Webinar with Marlena Labieniec, Director of FSRA Innovation Office, on FSRA’s Innovation Framework

CAFII is preparing for a 30 November, 2021 webinar with Marlena Labieniec, who is FSRA’s Director of its Innovation Office, on FSRA’s “Innovation Framework.”

Item 5: Recent and Upcoming Strategic and Regulatory Initiatives

Item 5 (a): Outcomes of November 10/21 CAFII Meeting with Mario Beaudoin and Charlène Boucher, AMF Re Plan For Modifying Fact Sheet and Notice of Rescission To Suit Credit Card-Embedded Insurance Benefits

Keith Martin and Brendan Wycks provided a follow-up on the written summary that was circulated to CAFII members on the 10 November, 2021 meeting with Mario Beaudoin and Charlène Boucher on the Fact Sheet and Notice of Rescission modifications in relation to credit card-embedded insurance benefits. It was noted that the AMF spend the initial part of the meeting resisting the request for modifications to these documents, but in the end the AMF asked CAFII to send its proposed modifications to these documents. The AMF seems to have backed off its original intention to organize a pan-industry working group. There was discussion of whether CAFII should send its recommendations on its own to the AMF, or attempt to organize a coordinated response with THIA and possibly also CLHIA.

Item 5 (b): CAFII Follow-up Meeting with Eric Jacob, AMF Re Improving Future CAFII/AMF “Industry Issues Dialogue” Meetings

There were some questions asked in the open forum of the industry issues dialogue meeting with the AMF that were difficult for members to answer given that industry competitors would hear the answer, and this nuance will be shared with Eric Jacob in a follow-up meeting that CAFII’s Co-Executive Directors are planning on organizing with him.

[Action Item: Organize a meeting of with Eric Jacob to discuss how to improve the CAFII Industry Issues Dialogue with AMF staff executives in future years; K. Martin, B. Wycks, November-December 2021.]

Item 5 (c): CAFII Working Group on Industry Alignment Around Compliance with AMF’s Expectations Re RADM’s Applicability to Credit Card-Embedded Insurance Benefits

Karyn Kasperski provided an overview of the options available around meeting the expectations of the AMF around credit card-embedded insurance benefits, noting that the CAFII Working Group on this file was considering the benefits of an approach where CAFII submitted its own views alone, which would be more expeditious, versus trying to organize a pan-industry view, which might be more impactful. It was noted that CAFII needed to be careful not to imply that it represented more than its own membership in any submission to the AMF, and that it was important to consult internally on any recommendations with CAFII members’ credit card departments. The Working Group was leaning to a minimalist approach to modifying the Fact Sheet and Notice of Rescission, where an asterisk would point out where the language in the documents did not apply to credit card-embedded insurance benefits.

Item 5 (d): Insights Gained from October 24/21 Meeting of FSRA Sectoral Advisory Committee for Life and Health Insurance (SAC) with FSRA Management; and November 23/21 SAC Meeting with FSRA Board of Directors

Keith Martin, who represents CAFII on the Sectoral Advisory Committee for Life and Health Insurance, provided an overview of recent meetings of this group, noting that CAFII was active in the group and offered views on the approach of FSRA, which FSRA management and Board members seemed to appreciate. Keith Martin invited Moira Gill from TD Insurance, who also sits on the SAC, to represent her views of the proceedings.

Item 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 on Industry Alignment Re Interpretation of FCAC's Appropriateness Guideline's Application to Authorized Insurance Products/CPI, noted that the timeline for submissions on a public draft of a revised Guideline from the FCAC would likely be very tight, and as a result the Working Group was developing arguments that it might wish to make ahead of having seen the revised document.

Item 6: Governance Matters

Item 6 (a): Draft Minutes of October 26/21 EOC Meeting.

The draft minutes of the 14 September, 2021 EOC meeting were approved.

Item 6 (b): Board-Approved Schedule of CAFII 2022 Meetings and Events

Brendan Wycks provided an update on the Board-approved schedule of CAFII 2022 meetings and events, noting that the Board wanted the first, April 2022 Board meeting to be virtual.