

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

Tuesday, February 15, 2022, 2:00-3:30pm

MINUTES

EOC Present:

Rob Dobbins	Assurant, EOC Chair
Karyn Kasperski	RBC Insurance, EOC Vice-Chair
Tony Pergola	ScotiaLife Financial, Treasurer
Martin Boyle	BMO Insurance
Asma Desai	Canadian Premier Life Insurance Company
John Burns	Canadian Premier Life Insurance Company
Anuraj Bains	CIBC Insurance
David Self	CIBC Insurance
Michelle Costello	CUMIS/The Co-operators
Afsheen Aslam	Manulife Financial
Charles MacLean	RBC Insurance
Fernando Heleno	RBC Insurance
Penelope Cordogiannis	RBC Insurance
Brad Kuiper	ScotiaLife Financial
Aanchal Gulia	Sun Life
Anaar Jessa	Sun Life
Emily Brown	Sun Life
Fergal Murphy	TD Insurance
Dallas Ewen	The Canada Life Assurance Company
Sharon Apt	The Canada Life Assurance Company

Regrets:

Corrine Gagné	Canadian Tire Financial Services
Farhad Eslah	Canadian Tire Financial Services
Jonine McGregor	Canadian Tire Financial Services
Ben Gray	CIBC Insurance
Esther Lee	CIBC Insurance
Cassandra Litniansky	CUMIS/The Co-operators
Diane Quigley	CUMIS/The Co-operators
Shawna Sykes	The Co-operators
Isabelle Choquette	Desjardins Insurance
Nathalie Baron	Desjardins Insurance
Carmelina Manno	Manulife Financial
Katia Umutoniwase	Manulife Financial
Caroline Cardinal	National Bank Insurance
Marie Nadeau	National Bank Insurance
Stacey Hughes-Brooks	RBC Insurance
Aneta Murphy	ScotiaLife Financial
Mindy Tarantelli	ScotiaLife Financial
Susanne Oleksandriw	Sun Life
Andrea Stuska	TD Insurance

Fay Coleman	TD Insurance
Edward Kuo	Sun Life
Moiria Gill	TD Insurance
Peter Thorn	TD Insurance
Marco DeiCont	Valeyo

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

Item 1 (b): 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

Chair 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 1 (c): Need For Successor CAFII Treasurer

Tony Pergola noted that after serving for four-plus years as CAFII's Treasurer, he was planning to step down from that role in June 2022, in conjunction with CAFII's Annual Meeting of Members. Rob Dobbins noted Mr. Pergola's exemplary service and thanked him for his contributions. EOC members were encouraged to consider whether there might be a candidate from their own organization to succeed Mr. Pergola as CAFII's Treasurer.

Item 2: Consent Items

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

- a. Consultations/Submissions Timetable
- b. Regulatory Update
- c. January 28/22 CAFII Response Submission on Revised "Sound Commercial Practices Guideline"
- d. January 31/22 CAFII Response Submission to FCNB on "New Brunswick Insurance Act Modernization: Questions For Industry"
- e. February 7/22 CAFII Response Submission to FCNB on "Rule INS-001: Insurance Intermediaries Licensing and Obligations"
- f. Regulator and Policy-Maker Visit Plan
- g. Summary of Board and EOC Action Items
- h. Board-Approved Schedule of CAFII 2022 Meetings and Events

Item 3: Financial Management Matters

Item 3 (a): CAFII Financial Statements as at December 31/21 (full 2021 fiscal year)

CAFII Treasurer Tony Pergola reported that as of December 31, 2021, the full 2021 fiscal year financial statements indicated \$956K in revenue, \$834K in expenses, for a surplus of \$122K, which was in excess of the budget by \$80K. The increase in surplus was due to additional revenues from additional Associates, as well as a new Initiation Member Canadian Tire Bank, and due to reduced expenses, largely due to no travel occurring and no in-person events due to the COVID-19 pandemic. CAFII's financial reserves now sit at 60% of annual operating expenses, which is quite healthy and higher than the range of 25 to 50% that the Association tries to achieve.

Item 3 (b): Update on KPMG Audit of CAFII 2021 Fiscal Year Financial Statements

Co-Executive Director Brendan Wycks reported that KPMG's audit of CAFII's 2021 fiscal year and related draft financial statements has begun.

Item 3 (c): CAFII Financial Statements as at January 31/22

Treasurer Tony Pergola reported that CAFII has not yet determined which of three scenarios in the Board-approved 2022 Operating Budget it will land on – which vary only in the percentage of compensation increase for the Co-Executive Directors -- and so, for the purpose of this report, the Association is using the middle scenario of a 3% compensation increase. Mr. Pergola reported that as of 31 January, 2022, revenues and expenses are in line with the budget, with CAFII's financial reserves currently sit at 52% of annual operating expenses, which is above the target range of 25% to 50%.

Item 4: Committee Updates

Item 4 (a): Research & Education

i. January 19/22 Presentation of Results of CAFII-Commissioned Deloitte Canada Thought Leadership Paper on Trends, Consumer Demands/Expectations, and Best Practices in Digitization of Insurance; and Next Steps

Andrea Stuska, Chair of the Research & Education Committee, reported that the presentation by Deloitte Canada representatives to the CAFII Board on the consulting firm's research paper on best practices in the digitization of CPI had been very well-received. Deloitte was now finalizing a more detailed and granular MSWord Report on the research findings. Following release of that document, CAFII's Research & Education Committee will meet to consider next steps, including possibly making a presentation on the research to insurance regulators and policy-makers, as well as publicly releasing some portions of the research. Deloitte has also offered to publicize the research through its own network and website, and to make customized presentations to individual CAFII member companies which indicate an interest in that.

Item 4 (b): Media Advocacy

i. Progress Report on Media Advocacy Initiatives

Keith Martin reported that two new videos, one on job loss CPI and the other on consumer protections built into the CPI regime in Canada, are about to be released. CAFII is also working with its website consultant Operatic Agency on the deliverables for the website in 2022, he advised.

Item 4 (c): Marketing Conduct & Licensing

i. AMF “Critical Illness Insurance Supervisory Report” (Released February 9/22)

Keith Martin reported that the AMF had released a somewhat critical report on critical illness insurance, although the tone of the language was not as negative as had been expected. The EOC agreed to keep a watching brief on this file, but not to take immediate action at this time.

Item 4 (d): Travel Insurance Experts

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

Brendan Wycks reported that CAFII, CLHIA, and THIA continue to meet on travel insurance and the pandemic regularly, but that there are no new developments at this time emanating from those meetings, primarily because Global Affairs Canada has not had meetings recently with CLHIA and THIA.

Item 4 (e): Networking & Events

i. Insights Gained from January 31/21 CAFII Webinar on “The Ins and Outs of Life Insurers’ Health and Wellness Incentivization Programs”

Due to time constraints, this item was deferred to the next EOC meeting.

ii. Plans for March 2022 CAFII Webinar on “How the Life and Health Insurance Industry Can Help Employees and Insureds Deal With Mental Health Challenges”

EOC members were encouraged to propose candidates for an experts panel to participate in this webinar in March 2022 on mental health issues as society emerges from the pandemic.

Item 5: Recent and Upcoming Strategic and Regulatory Initiatives

Item 5 (a): Outcomes of January 6/22 CAFII Response Submission to FCAC on proposed “Guideline on Appropriate Products and Services for Banks and Authorized Foreign Banks”

Brendan Wycks reported that CAFII had made a formal written submission to the FCAC on its Appropriate Products and Services Guideline on January 6/22, and the Association was now awaiting the FCAC’s feedback and/or release of the final version of the Guideline. EOC members commented on the high quality of CAFII’s submission.

Item 5 (b): Insights Gained from January 19/22 CAFII Virtual Meeting with Mario Beaudoin and Charlene Boucher, AMF Re Member Action Plans Submitted CAFII By Members (December 17/21) For Bringing Credit Card-Embedded Insurance Benefits Into Compliance With RADM; and Related Issues

Keith Martin reported that he and Brendan Wycks had a meeting on 19 January, 2022 with Charlene Boucher and Mario Beaudoin of the AMF, during which the two AMF staff executives shared some high-level feedback on the Action Plans submitted by CAFII members on 17 December, 2021. They indicated that they would write a letter summarizing these issues to CAFII for feedback, after which they would share their thoughts in writing with relevant individual insurers.

Item 5 (c): Outcomes of CAFII January 17/22 Submission to AMF on Proposed Wording Modifications To Fact Sheet and Notice of Rescission to Make Them Fit/Suit Credit Card-Embedded Insurance Benefits

Keith Martin reported that CAFII made a 17 January, 2022 submission to the AMF on proposed wording modifications to the Fact Sheet and Notice of Rescission with respect to credit card-embedded insurance benefits, and is currently waiting for the AMF to respond.

Item 5 (d): Insights Gained from January 27/22 FSRA “Exchange” Virtual Mini-Conference

Keith Martin reported that there was not much insurance content in the 27 January, 2022 FSRA mini-conference, but that there was a very interesting panel discussion on the importance of principles-based regulation.

Item 5 (e): Insights Gained from January 27/22 Meeting of Saskatchewan Restricted Insurance Agents Advisory Committee (RIAAC)

Brendan Wycks provided an update on the 27 January, 2022 meeting of the Saskatchewan Restricted Insurance Agents Advisory Committee.

Item 5 (f): Insights Gained from January 27/22 CAFII “Get Acquainted and Dialogue Meeting” with Saskia Tolsma, Vice-President, Stakeholder Engagement, and BCFSa Staff Executive Colleagues

Brendan Wycks and Keith Martin reported that they learned from their January 27/22 virtual meeting with BCFSa staff executives Saskia Tolsma, Vice-President, Stakeholder Engagement; Rob O’Brien, Manager, Market Conduct Policy; Steven Wright, Market Conduct Policy Analyst; and Harry James, Strategic Issues Consultant that BCFSa felt that CAFII should make a submission on the BCFSa’s current “Discussion Paper: Information Security Incident Reporting.” They also learned that BCFSa was planning to develop its own Code of Conduct For Insurers around the fair treatment of customers, to which CAFII responded that it strongly preferred for the regulator to simply adopt the existing CCIR/CISRO “Guidance: Conduct of Insurance Business and Fair Treatment of Customers.”

Item 5 (g): Outcomes of CAFII February 8/22 Presentation to CISRO “Consumer Awareness Working Group” (CAWG) on CAFII’s Consumer-Facing Website and Its Consumer Financial Literacy Content

Keith Martin reported that CAFII made a presentation on 8 February, 2022 to CISRO on the Association’s website and its consumer-facing content, which was well-received by CISRO representatives.

Item 5 (h): Outcome of CLHIA Outreach to NWT Government on Credit Protection Insurance Licensing/Classes of Insurance Issue

Brendan Wycks reported that CAFII has learned from Luke O’Connor of CLHIA that the NWT government intends to modify its legislation to ensure that it covers all classes and types of insurance offered in the territories, and that until it completes that legislative overhaul, it will operate under a “business as usual” approach.

Item 5 (i): Q1 2022 Implementation of Working Group-Identified Enhancements to CAFII Quarterly Benchmarking Study Reports Produced by RSM Canada

Keith Martin recalled that the initial objective of CAFII's recently launched benchmarking study with RSM Canada initially was to replicate the previous CBA study that it was replacing, but there was also a Board directive to explore how to improve the data quality and comparability of the study. A working group on enhancements to the study has been collaborating with RSM Canada on this initiative and it has made much progress, and RSM Canada is about to implement improvements to the study coming out of the Working Group's deliberations.

Item 6: Governance Matters

Item 6 (a): Draft Minutes of January 18/22 EOC Meeting

The EOC approved the draft minutes of the 18 January, 2022 EOC meeting, as circulated.

Item 6 (b): Movement of EOC Annual Appreciation Dinner from May 17/22 to September 20/22

The EOC approved a proposal from Co-Executive Directors Brendan Wycks and Keith Martin that the date of the scheduled EOC Annual Appreciation Dinner be moved from May 17/22 to September 20/22.