

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

Tuesday, April 26, 2022, 2:00-3:30pm

MINUTES

EOC Present:

Rob Dobbins	Assurant and EOC Chair
Karyn Kasperski	RBC Insurance and EOC Vice Chair
Tony Pergola	ScotiaLife Financial and Treasurer
Asma Desai	Canadian Premier Life Insurance Company
John Burns	Canadian Premier Life Insurance Company
Farhad Eslah	Canadian Tire Bank
Anuraj Bains	CIBC Insurance
Cassandra Litniansky	CUMIS/The Co-operators
Michelle Costello	CUMIS/The Co-operators
Robert Huang	CUMIS/The Co-operators
Afsheen Aslam	Manulife Financial
Katia Umutoniwase	Manulife Financial
Ivan Murray	National Bank Insurance
Fernando Heleno	RBC Insurance
Penelope Cordogiannis	RBC Insurance
Brad Kuiper	ScotiaLife Financial
Aanchal Gulia	Sun Life
Andrea Stuska	TD Insurance
Fay Coleman	TD Insurance
Fergal Murphy	TD Insurance
Moira Gill	TD Insurance
Peter Thorn	TD Insurance
Dallas Ewen	The Canada Life Assurance Company
Jacqlyn Marcus	Valeyo
Marco DeiCont	Valeyo

Regrets:

Martin Boyle	BMO Insurance
Corrine Gagné	Canadian Tire Bank
Jonine McGregor	Canadian Tire Bank
Ben Gray	CIBC Insurance
David Self	CIBC Insurance
Esther Lee	CIBC Insurance
Almas Satwat	CUMIS/The Co-operators
Diane Quigley	CUMIS/The Co-operators
Isabelle Choquette	Desjardins Insurance
Nathalie Baron	Desjardins Insurance
Stacey Hughes-Brooks	RBC Insurance
Aneta Murphy	ScotiaLife Financial
Mindy Tarantelli	ScotiaLife Financial
Anaar Jessa	Sun Life
Edward Kuo	Sun Life

Emily Brown	Sun Life
Susanne Oleksandriw	Sun Life
Carmelina Manno	Manulife Financial
Caroline Cardinal	National Bank Insurance
Marie Nadeau	National Bank Insurance
Charles MacLean	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 Rob Dobbins called the meeting to order at 2:02 p.m.

Item 1 (b): Welcome to New EOC Member: Ivan Murray, National Bank Insurance

EOC Chair Rob Dobbins welcomed new EOC member Ivan Murray from National Bank Insurance. Mr. Murray introduced himself to EOC members, noting that he and colleague Marie Nadeau from National Bank Insurance looked forward to actively participating in the EOC.

Item 1 (c): CAFII Board's April 12/22 Decision Re Return to In-Person Meetings on June 7/22, But Deferral of CAFII 25th Anniversary Celebration to Fall 2022

Brendan Wycks updated the EOC on some key decisions made by the Board at its 12 April, 2022 meeting around upcoming meetings, specifically a decision to hold the Board meeting on 7 June, 2022 as a hybrid meeting, including the option to attend in-person, but not to hold a CAFII 25th Anniversary celebration immediately following that meeting. Instead, the 25th Anniversary celebration would be deferred to the fall of 2022. The Board strongly emphasized its preference to try to hold the 25th Anniversary celebration on a date that would maximize the attendance of insurance regulator and policy-maker guests, and noted that it did not have to happen on the same day as a Board meeting.

Item 1 (d): Results of EOC Member Survey Re Comfort with Return to In-Person EOC Meetings: May 17/22; June 28/22; September 20/22

Brendan Wycks updated EOC members on the results of an EOC member survey around comfort with a return to in-person meetings. The survey results showed a slight preference for returning to in-person EOC meetings at a later date, possibly starting with the September 20/22 meeting rather than the May 17/22 or June 28/22 EOC meetings.

Item 1 (e): Need for Successor CAFII Treasurer

Rob Dobbins reminded EOC members that CAFII was looking for a successor CAFII Treasurer, and he encouraged members to see if there were appropriate candidates within their organizations. Brendan Wycks noted that RBC Insurance had indicated that it may have a suitable candidate.

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. April 4/22 CAFII Response Submission to CCIR/CISRO on “Incentives Management Guidance”
- d. Regulator and Policy-Maker Visit Plan Recap
- e. Summary of Board and EOC Action Items
- f. Board-Approved Schedule of CAFII 2022 Meetings and Events

Item 3: Financial Management Matters

Item 3 (a): CAFII Financial Statements as at March 31/22

CAFII Treasurer Tony Pergola reported that the Association’s financial statements as at March 31, 2022 showed revenues of \$249K, expenses of \$160K, for a surplus of \$89, which is a positive variance to budget of \$95K. This variance was entirely due to timing issues related to planned expenditures. The balance sheet is impacted by the collection of payments for the first installment of 2022 member dues, which revenue is amortized evenly over the 12 months of the fiscal/calendar year.

Mr. Pergola also reported that the Board had passed a resolution to close out the Association’s Restricted Fund and transfer the residual \$12,000 therein to the CAFII operating budget, something that will now be effected during the 2022 fiscal year.

Item 3 (b): Forecast For CAFII 2022 Fiscal Year as at March 31/22

Treasurer Tony Pergola reported that there are no material differences between the CAFII 2022 Fiscal Year Forecast and the 2022 operating budget at this time, although the budget has now been finalized to reflect the Board’s approval of a 4% increase to the Co-Executive Directors’ compensation.

Item 3 (c): Update on Board and Membership Approval of CAFII 2021 Audited Financial Statements

Brendan Wycks reported that the Board had approved the CAFII 2021 Audited Comparative Financial Statements and KPMG’s Auditor’s Report thereon, and it would therefore move forward for approval by the membership at the 7 June, 2022 Annual Meeting of Members.

Item 4: Committee Updates

Item 4 (a): Market Conduct & Licensing

i. Penultimate Draft of CAFII Response Submission on FSRA Consultation on Principles-Based Regulation (Submission Deadline: April 29/22)

Brad Kuiper, Chair of the Market Conduct & Licensing Committee, reported that CAFII has distributed to the EOC and the Market Conduct Committees a penultimate draft of its response submission to FSRA on its consultation on Principles-Based Regulation, which largely supports the approach that FSRA is taking while offering caution around ensuring that rules which FSRA develops under its rule-making authority are harmonized with similar rules in other jurisdictions.

ii. FSRA Consultation on Proposed “Principles of Conduct for Insurance Intermediaries” (Submission Deadline: May 3/22)

Brendan Wycks reported that CAFII has prepared a penultimate draft response submission to FSRA on its consultation on “Principles of Conduct for Insurance Intermediaries” and is about to distribute it to Market Conduct & Licensing Committee and EOC members for their review and feedback.

iii. OSFI Consultation on “Culture Risk Management”: In-Scope or Out-of-Scope For CAFII Response Submission? (Submission Deadline: May 31/22)

Keith Martin stated that unless there are culture risk management characteristics unique to credit protection insurance, this current OSFI consultation is likely out-of-scope for CAFII. It was noted that the current document actually constituted a pre-consultation by OSFI, with the formal consultation planned for the fall of 2022. CLHIA will be making a submission and CAFII will be meeting with the lead on the file there, Sarah Hobbs; and CAFII will be monitoring the file closely including the submission that the CBA makes. The EOC agreed that CAFII would not make a formal response submission on this OSFI consultation.

iv. Insurance Council of BC Consultation on “Insurance Council Rules” (which set the licence conditions and requirements for all BC insurance licensees): In-Scope or Out-of-Scope For CAFII Response Submission? (Submission Deadline: June 1/22)

Keith Martin stated that this Insurance Council of BC consultation is likely out-of-scope for CAFII. CAFII will monitor carefully developments around the Insurance Council’s intention to play a lead role in the development of a Restricted Insurance Agent licensing regime in BC, but this current consultation does not touch on that initiative and is limited to changes for individually licensed insurance representatives. The EOC agreed that this consultation is out-of-scope for CAFII.

v. FCNB Informal Joint Sounding Board Consultation With CLHIA and CAFII On Imminent Amendments to Life and Health Sections of New Brunswick Insurance Act: David Weir Request For Smaller CAFII Review/Input Group, Given Confidential/Embargoed Terms of Release

Keith Martin reported that David Weir of FCNB was at this point requiring that only a limited number of CAFII representatives have access to the two embargoed FCNB legislative policy change proposal documents – which could only be shared under a Confidentiality Undertaking – on which he was seeking feedback. As soon as that key permission and process issue was sorted out with FCNB, CAFII will be striking a special ad hoc Working Group and distributing the FCNB documents to the member representatives serving on it.

Item 4 (b): Media Advocacy

i. Completion of 2021 Website Videos and Launch of 2022 Initiatives with Operatic Agency

Jacqlyn Marcus, Chair of the Media Advocacy Committee, reported that the final website videos from 2021 are being wrapped up and should be posted soon. She also provided an overview of the 2022 website initiatives with Operatic Agency. Ms. Marcus noted that BMO Insurance was intending to post CAFII website video on its website, which was a very positive development for the Association. It has been agreed that the videos will be unaltered and branded as CAFII productions. A formal guideline document will be tabled at a future EOC meeting to provide parameters for any other members interested in pursuing a similar strategy of posting CAFII videos on their websites.

Item 4 (c): Research & Education

i. Implementation of Board-Approved Next Steps Re Public Release of Results of Deloitte Canada Thought Leadership Paper on Trends, Consumer Demands/Expectations, and Best Practices in Digitization of CPI

Andrea Stuska, Chair of the Research & Education Committee, provided an overview of the resolution which the CAFII Board approved at its 12 April, 2022 meeting, authorizing public release of the results highlights of the Deloitte Canada research project on best practices in the digitization of credit protection insurance. A meeting will be held involving the Research & Education Committee and the Media Advocacy Committee, to review proposed changes to the Powerpoint presentation that was presented to the Board, which will form the basis of two separate webinar presentations: one for insurance regulators and policy-makers; and the other for representatives from allied industry Associations and CAFII Associate representatives.

Item 4 (d): Networking & Events

Marco DeiCont, Vice-Chair of the Networking & Events Committee, provided an overview of some of the recent webinars CAFII had held, along with its intention to hold further webinars over the balance of 2022.

i. Survey of EOC Members For Input On Topics and Presenters/Panelists for Future CAFII Webinars and In-Person Events

Brendan Wycks reported that CAFII is about to distribute a survey to Board, EOC, and Other Committee members asking for input on possible topics and presenters/panelists for future CAFII events.

ii. Plans for May 3/22 CAFII Webinar On “Principles-Based Regulation (PBR); The Emergence of Rule-Making Authority; and How They Work Together: A Complementary, Harmonious Fit Or ‘Dynamic Tension’ For Canada’s Insurance Regulators?”

Keith Martin provided an overview of the upcoming May 3/22 webinar on the intersection between principles-based regulation and regulatory rule-making authority, noting that this was an important topic for CAFII and its members, and that there was already a high level of regulator and policy-maker interest in this webinar based on registrations to date.

Item 4 (e): Travel Insurance Experts

i. Issues Discussed in and Insights Gained from Recent Meetings of Travel Insurance Experts Committee

Katia Umtoniwase, Chair of the Travel Insurance Experts Committee, noted that with the recent relaxation of government restrictions and advisories, there had been a significant increase in travel by Canadian consumers of late and a corresponding increase in travel insurance business across the industry.

ii. Insights Gained From CAFII/CLHIA/THIA Bi-Weekly Meetings Re Impact Of COVID-19 On Travel and the Travel Insurance Industry

Brendan Wycks noted that the semi-regular meetings which THIA and CLHIA had been having with Global Affairs Canada were of late only being held very infrequently; and because of that and the recent relaxation of most government restrictions on travel, there were fewer issues to discuss in the biweekly pan-industry Association meetings on the impact of COVID-19 on travel and the travel insurance industry.

Item 5: Recent and Upcoming Strategic and Regulatory Initiatives

Item 5 (a): Re-Engagement/Re-Launch of CAFII Working Group on Compliance With AMF's Expectations Re RADM's Applicability To Credit Card-Embedded Insurance Benefits To Assess Need For Reply and/or Action(s) In Response To AMF's April 1/22 Feedback Letter To The Industry On December 17/21 Action Plans

Keith Martin reported that the CAFII Working Group on compliance with the AMF's expectations re the RADM's applicability to credit card-embedded insurance benefits had recently been relaunched and held a meeting to discuss the issue around one member being informed by its insurance partner that it felt that the Fact Sheet and the Notice of Rescission should still be distributed. The Working Group members generally noted that they had communicated to the AMF that they were not intending to distribute these documents at this time, and the AMF had not expressed any concerns. There was a concern that if a member does distribute these documents, that could potentially undermine the entire industry's position, as the AMF could use it to deploy a 'lowest common denominator' approach or a 'divide and conquer' strategy. The Working Group members also felt that the meeting was a very helpful way to compare notes on technical issues around implementation of Action Plans in relation to credit card-embedded insurance benefits and the RADM, and it was agreed that another meeting would be set up for mid-June, 2022.

Item 6: Governance Matters

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

The draft minutes of the March 22, 2022 EOC meeting were approved.

Item 6 (b): Draft Minutes of April 12/22 Board Meeting

The draft minutes of the April 12, 2022 Board meeting were endorsed for presentation to the Board for approval at its next meeting.

Item 6 (c): CAFII Formal "Thank You" Recognition of 2021 Committee Chairs and Vice-Chairs; and External Body Appointees, Executed On April 1/22

Brendan Wycks reported that the recognition cards which had been sent to CAFII members around the contributions of volunteer Chairs, Vice-Chairs, and External Body Appointees had been very well-received, and would become an annual initiative. Mr. Wycks thanked Moira Gill, EOC member from TD Insurance, for recommending this initiative.

Item 6 (d): Preparation and Dissemination of CAFII 2022 Annual Meeting of Members Materials Package

Mr. Wycks reported that dissemination of CAFII's 2022 Annual Meeting of Members materials package was going to occur on or about May 11/22, well in advance of the minimum 21 days notice period required for materials distribution for an Annual or Special General Meeting (June 7/22).