

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

Tuesday, October 26, 2021

MINUTES

EOC Present:	Rob Dobbins	Assurant and EOC Chair
	Karyn Kasperski	RBC Insurance and Vice Chair
	Anuraj Bains	CIBC Insurance
	Sharon Apt	The Canada Life Assurance Company
	Martin Boyle	BMO Insurance
	Emily Brown	Sun Life
	Isabelle Choquette	Desjardins Insurance
	Marco DeiCont	Valeyo
	Farhad Eslah	Canadian Tire Bank
	Dallas Ewen	The Canada Life Assurance Company
	Moiria Gill	TD Insurance
	Ben Gray	CIBC Insurance
	Aanchal Gulia	Sun Life
	Casandra Litniansky	CUMIS/The Co-operators
	Charles MacLean	RBC Insurance
	Carmelina Manno	Manulife Financial
	Tony Pergola	ScotiaLife Financial
	Katia Umutoniwase	Manulife Financial
	Fay Coleman	TD Insurance
	Asma Desai	Canadian Premier Life Insurance Company
Regrets:	Jonine McGregor	Canadian Tire Bank
	Esther Lee	CIBC Insurance
	Stacey Hughes-Brooks	RBC Insurance
	Fergal Murphy	TD Insurance
	Aneta Murphy	ScotiaLife Financial
	Diane Quigley	CUMIS/The Co-operators
	Vivek Sahni	RBC Insurance
	Monika Spudas	Manulife Financial
	Andrea Stuska	TD Insurance
	Shawna Sykes	CUMIS/The Co-operators
	Mindy Tarantelli	ScotiaLife Financial
	Peter Thorn	TD Insurance
	Marie Nadeau	National Bank Insurance
	Susanne Oleksandriw	Sun Life
	Nathalie Baron	Desjardins Insurance
	Caroline Cardinal	National Bank Insurance
	Michelle Costello	CUMIS/The Co-operators
	Penelope Cordogiannis	RBC Insurance
	Corrine Gagne	Canadian Tire Bank
	Fernando Heleno	RBC Insurance

Anaar Jessa	Sun Life
Brad Kuiper	ScotiaLife Financial
Edward Kuo	Sun Life

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

EOC Chair and Board Secretary Rob Dobbins called the meeting to order at 2:02 p.m.

Item 1 (a): Call to Order and Welcome to New EOC Member (Asma Desai, Canadian Premier Life Insurance)

New EOC member Asma Desai from Canadian Premier Life Insurance was welcomed to the EOC. Ms. Desai provided a brief self-introduction, and said she was looking forward to participating in the EOC.

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

Rob Dobbins said that much progress had been made in filling leadership gaps in the various Committees and Working Groups of CAFII, although there was still a need to identify a Chair and a Vice Chair of the Media Advocacy Committee; and a Vice Chair of the Networking and Events Committee.

Item 2: Consent Items

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

Consultations/Submissions Timetable

- Regulatory Update
- September 22/21 CAFII Response Submission Response to CCIR/CISRO on Draft Incentives Management Guidance
- September 24/21 CAFII Response Submission top FSRA on "Enforcement Proceedings and Investigations" Consultation
- 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 September 30/21

Treasurer Tony Pergola reported that as of 30 September, 2021 there was a \$53K favourable variance of revenues over expenses relative to budget. This was due to higher revenues, lower expenses, and some timing issues. For the year to date, revenues are \$717K, expenses are \$526K, leading to a surplus of \$191K which is a favourable variance to budget of \$106K. There are some timing issues that will result in a lower surplus at year-end, including \$75K for legal fees which is higher than was budgeted for.

Item 3 (b): Forecast for CAFII 2021 Fiscal Year as at September 30/21

Treasurer Tony Pergola reported that the forecast for 2021 revenue is \$956K, expenses are forecast to end the year at \$759K, leading to a surplus of \$197K, versus a budgeted surplus at year-end of \$80K, which is a favourable variance of \$117K.

Item 3 (c): Recommendation on Renewal of CAFII's Association Management Services Contract with Managing Matters

Keith Martin reported that CAFII has been negotiating a new contract with Managing Matters, as the three-year existing contract with them terminates at the end of 2021. Originally Managing Matters asked for a substantial increase in fees in the first year of the proposed three-year extension from 2022 to 2025, but CAFII asked for a reduction in the increase. Managing Matters has now revised its Term Sheet proposal with a 5% increase in the first year, a 3% increase in the second year, and a 2% increase in year three. As well, Managing Matters has estimated that the cost of the incremental, additional webinars that CAFII proposes to hold in 2022 and beyond will be \$1700 for each of six (6) webinars.

Mr. Martin stated that CAFII management believes that these are reasonable contract renewal terms from Managing Matters, and was therefore recommending to the EOC that it support the Managing Matters proposal, and recommend its approval to the Board.

Several members of the EOC stated that they felt Managing Matters was delivering excellent support for CAFII and its members; and there was strong support for endorsing the proposal and recommending to the Board that a three-year contract renewal with Managing Matters be approved.

Item 3 (d): Critical Path (Amended) for Development of 2022 CAFII Operating Budget

Brendan Wycks provided EOC members with an overview of the amended critical path for the development of a 2022 CAFII operating budget, noting that in-person events were planned again starting in May 2022; that an allocation was required for 6 webinars in 2022 in addition to in-person events; and that in June 2022 there would be additional expenses associated with a CAFII 25th Anniversary Celebration.

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 CPI digitization best practices. They noted that the project was moving along, and that Deloitte had established an excellent governance structure to ensure that the key stakeholders within CAFII were aware of where the project stood and had input into its progression.

Item 4 (b): Media Advocacy

Keith Martin noted that there were several deliverables in the pipeline for the CAFII website, including three new videos on (i) the Pollara research on consumers' CPI digitization preferences; (ii) on job loss insurance; and (iii) on consumer protections within CPI sales and service practices.

Item 4 (c): Marketing Conduct & Licensing

i. Implications for CAFII of CCIR's October 12/21 Release of "Cooperative Fair Treatment of Customers (FTC) Review – Consolidated Observations Report"

There was a discussion around a CCIR document on adoption by the industry of the CCIR fair treatment of customers (FTC) guidance, with the document being fairly critical of some of the lack of adoption by the industry of the guidance. It was agreed that this was worthy of further examination by the Market Conduct Committee.

[Action Item: Organize a meeting of the Market Conduct and Licensing Committee to review the CCIR document on adoption of the FTC guidance; B. Wycks, K. Martin, January – February, 2022.]

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

It was noted that the draft regulation on complaint processing and dispute resolution released by the AMF contained many concerning elements, such as an expectation that companies would have to make available internal resources to help consumers draft complaints to them. The Market Conduct and Licensing Committee would review the draft with the intention of providing a detailed response to the AMF.

Item 4 (d): Travel Insurance Experts

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

Brendan Wycks provided an overview of some of the insights gained from the weekly meetings of CAFII, CLHIA, and THIA on the impact of COVID-19 upon travel and the travel insurance industry, including the expectations around when the US would open the land border with Canada.

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"

An update was provided on the highly successful October 25/21 CAFII webinar with three provincial regulators: Chris Carter, Vice-President, Financial Institutions and Mortgage Brokers Market Conduct, BC Financial Services Authority; Mark Brisson, Assistant Deputy Minister and Superintendent of Insurance, Alberta Treasury Board and Finance; and Janette Seibel, Deputy Superintendent of Insurance, Financial and Consumer Affairs Authority of Saskatchewan.

Item 5: Recent and Upcoming Strategic and Regulatory Initiatives

Item 5 (a): "Summary of Options" In Response to Proposal from CAFII Director Z. Fuerstenberg That CAFII Investigate Development and Launch of an Education/Master Class/Certification Program for Member Company Employees on "CPI Legislative and Regulatory Principles and Environment"

EOC members discussed the one-page summary of options around CAFII providing some form of certification or education program for members. While it was felt that the idea had merit, it was also felt that there was no capacity for CAFII or its members to take on such an ambitious new initiative at this time. Therefore, the EOC agreed that it should recommend to the Board that CAFII should delay adoption of this idea at this time.

Martin Boyle also proposed that another option should be added to the set of options, around CAFII developing standards that member companies should adhere to around internal education of their employees. It was agreed that this additional option would be added to the Summary of Options document, prior to its being brought forward to the CAFII Board at its December 7, 2021 meeting.

[Action Item: Add an additional option -- around CAFII developing standards that member companies should adhere to around internal education of their employees – to the Summary of Options document prior to its being brought forward to the CAFII Board at its December 7, 2021 meeting; B. Wycks, K. Martin, November 30, 2021.]

Item 5 (b): CAFII-Relevant Insights Arising From CCIR's Appointment of Robert Bradley as its New Chair

Martin Boyle gave an overview from his perspective, as CCIR's former Policy Manager/Secretariat for several years, of how CCIR's activities would likely unfold with Robert Bradley, PEI Superintendent of Insurance, as its new Chair.

Item 5 (c): Insights Gained from October 14/21 CAFII Industry Issues Dialogue With AMF Staff Executives

CAFII members discussed the issue of Eric Jacob of the AMF asking CAFII members questions that they could not readily answer in a public forum during the 14 October, 2021 CAFII *Industry Issues Dialogue With AMF Staff Executives*, which had led to some awkward silences. It was noted that this was not the first time that this had occurred with the AMF, and it was suggested that an informal meeting with Eric Jacob to explain why CAFII members did not answer some of his questions would be advantageous.

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

Item 5 (d): Next Steps in CAFII's Board-Approved Action Plan for Responding to AMF's Interpretation on RADM's Applicability to Credit Card-Embedded Insurance Benefits and Resulting Regulatory Expectations, Including CAFII Board Decision Not To Re-Attempt To Secure CBA's Engagement In This Issue (See Also Read Only Items 7(b) and 7(c))

Keith Martin provided an update on the CAFII Board's direction that CAFII focus on engaging the AMF around modifying the Fact Sheet and Notice of Rescission, in the context of the desire of CAFII members to comply with the Regulation respecting Alternative Distribution Methods with respect to credit card-embedded insurance benefits; and the view that at this time, CAFII should not attempt to engage the Canadian Bankers Association (CBA) on this file.

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 this Working Group, gave an overview of its progress made so far, noting that members of the Working Group felt that it was adding significant value.

Item 5 (f): CLHIA Plans to Liaise with NWT Government on Credit Protection Insurance Licensing

Issue.

Dallas Ewen, who chairs the CLHIA committee focused on credit protection insurance, noted that the CLHIA had decided to engage informally with the government of NWT on credit protection insurance licensing issues.

Item 6: Governance Matters

Item 6 (a): Draft Minutes of September 14/21 EOC Meeting.

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

Item 6 (b): Draft Minutes of October 5/21 Board Meeting.

The EOC endorsed the draft minutes of the 5 October, 2021 CAFII Board meeting, for presentation to the Board for approval at its next meeting.