

**BOARD VIRTUAL MEETING**  
**CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE**

Tuesday, October 5, 2021

2:00 to 4:00 p.m. EDT

Minutes

<b>Board Members</b>	Nicole Benson	Valeyo
<b>Present:</b>	Paul Cosgrove	Assurant
	Janice Farrell-Jones	TD Insurance
	Zack Fuerstenberg	ScotiaLife Financial
	Louie Georgakis	The Canada Life Assurance Company
	Chris Lobbezoo	RBC Insurance
	Peter McCarthy	BMO Insurance
	Ian Oncea	CIBC Insurance
	Wally Thompson	Manulife Financial
	Peter Thompson	National Bank Insurance
	Kelly Tryon	CUMIS/The Co-operators
	Rob Robinson	Canadian Premier Life Insurance Company
	Adam Vespi	Canadian Tire Financial Services
<b>Regrets:</b>	Sophie Ouellet	Sun Life
	Chantal Gagné	Desjardins
<b>Also Present:</b>	Brendan Wycks, <i>Co-Executive Director</i>	
	Keith Martin, <i>Co-Executive Director</i>	
	Rob Dobbins, <i>Secretary</i>	
	Jake Becker, <i>Association Coordinator</i>	

**Item 1: Call to Order, Welcome and Confirmation of Meeting**

C. Lobbezoo welcomed all to this meeting of the CAFII Board of Directors, which was held virtually on the Microsoft Teams platform, and called the meeting to order at 2:02 p.m. Jake Becker acted as Recording Secretary.

**Item 1 (a): Declaration of Meeting Properly Called and Constituted**

Rob Dobbins, Board Secretary, confirmed that notice of the meeting had been sent to all Directors in accordance with the Association's By-Law; and that a quorum of Directors was present.

C. Lobbezoo declared this meeting of the Board of Directors of the Canadian Association of Financial Institutions in Insurance duly convened and properly constituted for the transaction of business.

**Item 1 (b): Approval of Agenda**

Board Chair Chris Lobbezoo proposed adding a new item **1(e) News About A Director's Imminent Departure From The CAFII Board.**

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the meeting Agenda be and is approved as amended.

### Item 1 (c): Appointment of a New CAFII Director

In late July, CAFII was informed by CIBC Insurance that its current CAFII Director Mica Sweet had been appointed to a new position within the bank; and that Ian Oncea had been appointed her successor as *Vice-President, Insurance, CIBC; and President & CEO, CIBC Life Insurance Company*. CIBC Insurance also informed CAFII of its nomination of Ian Oncea for appointment to the CAFII Board, succeeding Mica Sweet as the Director from CIBC Insurance.

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** to appoint Ian Oncea, Vice-President, Insurance, CIBA; and President & CEO, CIBC Life Insurance Company, as CIBC's Director on the CAFII Board.

### Item 1 (d): Welcome to and Self-Introduction by New CAFII Director Ian Oncea, CIBC Insurance

Ian Oncea was welcomed to the meeting, and he introduced himself to his fellow CAFII Board members.

### Item 1 (e): News About A Director's Imminent Departure From The CAFII Board

Mr. Lobbezoo noted that in late July, CAFII Director from TD Insurance Janice Farrell-Jones informed CAFII that after several years in the role of Senior Vice-President, Life and Health at TD Insurance, she had just received a promotion into a new leadership role within TD Canada Trust, which has her leading the Environmental, Social and Governance (or ESG) mandate for the enterprise, meaning the entire corporate bank.

With this move by Janice Farrell-Jones, TD will be appointing a new leader for its Life & Health Insurance business, although that successor at TD Life & Health has not yet been named. Mr. Lobbezoo thanked Ms. Farrell-Jones for her contributions to the CAFII Board; and Ms. Farrell-Jones made some comments to her fellow Board members.

### Item 2: Approval/Receipt of Consent Items

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

- a. Draft Board Meeting Minutes, June 8/21
- b. Draft Special Purpose Board Meeting Minutes, June 29/21
- c. Summary of Board and EOC Action Items
- d. Regulatory Update
- e. Consultations/Submissions Timetable
- f. Regulator and Policy-Maker Visit Plan
- g. Board-Approved CAFII 2021 Schedule of Meetings and Events

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the Consent Agenda items be and are approved or received for the record, as indicated in the Action column in the Consent section of the agenda.

### Item 3: Governance Matters

#### Item 3 (a): Decision To Confirm That December 7/21 CAFII Board Meeting Will Be A Virtual-Only Meeting, And Cancel Plans To Hold An In-Person Holiday Season Reception

Mr. Lobbezoo noted that CAFII had, in consultation with Board members, made the decision that the 7 December, 2021 CAFII Board meeting will be a virtual-only meeting, and has cancelled plans to hold an in-person holiday season reception following that Board meeting.

### **Item 3 (b): Negotiations Around Possible Renewal of CAFII's Association Management Service Contract With Managing Matters**

Keith Martin provided an update on the status of CAFII's negotiations with Managing Matters around the possible renewal of our current Association Management Services contract with that company, which expires at the end of this year. Mr. Martin noted that Managing Matters CEO Jenny Faucher had indicated that there were tremendous retention and employment challenges emanating out of the pandemic, and that there were major labour pressures on Managing Matters, leading to significant increases in the proposed 2022 contractual terms. Mr. Martin has asked Managing Matters to review this again, since all of CAFII's members are facing the same realities and would expect suppliers to manage them just as the members are. A new proposal will be submitted based on a three-year renewal, and will be reviewed by the EOC and presented, with a recommendation, to the Board at the December 7, 2021 Board meeting. If terms that are acceptable can be negotiated, Mr. Martin stated that CAFII is generally very pleased with the performance of Managing Matters and is aiming for a three-year renewal term.

*[Action Item: Negotiate terms for a three-year contract renewal with Managing Matters, to present to the Board at the December 7, 2021 Board meeting; K. Martin, B. Wycks, October-November 2021.]*

### **Item 3 (c): Proposed CAFII 2022 Schedule of Meetings and Events**

Mr. Wycks provided an overview of the proposed 2022 schedule of meetings and events. Mr. Wycks presented two options, one in which in-person events begin again immediately in 2022, and another in which in-person events only start again in June, 2022. The Board preferred Option B, which was to tentatively start in-person events again only in June, 2022.

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the Schedule of Meetings and Events be approved, and based on a return to in-person events starting in June, 2022.

## **Item 4: Financial Management Matters**

### **Item 4 (a): CAFII Financial Statements as at August 31/21**

CAFII Treasurer Tony Pergola presented the CAFII financial statements as of August 31, 2021, noting that the September 2021 financials are not available for this meeting due to summer schedules. Year to date revenues are \$637K, and expenses are \$476K, leading to a surplus of \$161K which is a favourable variance to budget of \$53K. This favourable variance is due to a combination of higher revenues due to new members (valeyo and Canadian Tire Bank) and associates, and reduced expenses. The balance sheet is stable, there is a cash balance of \$750K, and the operating ratio is 65%, which is above the normal range that CAFII seeks of 25-50%.

### **Item 4 (b): Forecast For CAFII 2021 Fiscal Year As At August 31/21**

CAFII Treasurer Tony Pergola stated that the forecast for CAFII's 2021 fiscal year was revenue of \$956K, and expenses of \$791K, leading to a projected surplus of \$164K. Mr. Martin noted that CAFII's legal fees are projected to be higher due to a Board-approved request for some additional work from Norton Rose, and will likely go from \$50K to \$65K.

### **Item 4 (c): Critical Path For Development of 2022 CAFII Operating Budget**

Brendan Wycks shared with the Board the key milestones in the critical path for the development of the Association's 2022 CAFII Operating Budget.

### **Item 4 (d): Updating CAFII's Cheque Signing Authorities**

Brendan Wycks updated the Board on changes in the people authorized to sign CAFII cheques, both within CAFII

and within its Association Management Company Managing Matters, leading to a requirement for the following changes to its cheque signing authority:

- add Karyn Kasperski, RBC Insurance;
- delete Tara Moran, CAFII's former Accountant/Controller at Managing Matters (MM); and
- add Maria Saqib, CAFII's new Accountant/Controller at Managing Matters.

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the revised cheque signing authority be approved.

## **Item 5: Strategic and Regulatory Matters**

### **Item 5 (a): CAFII's Next Steps On AMF Credit Card-Embedded Insurance Benefits Issue**

#### **i) CAFII Follow-up Thank You Letter To AMF To Confirm Fact Sheet and Notice of Rescission Concession Outcome of September 10/21 Meeting**

K. Martin noted that a detailed note had been sent to Board and EOC members on a 10 September, 2021 meeting with Eric Jacob, the AMF's new Superintendent, Client Services and Distribution Oversight. The meeting was very successful, with the AMF providing a concession around members not needing to provide consumers with a copy of the Fact Sheet or the Notice of Rescission by the 17 December, 2021 deadline for implementation of the Regulation respecting Alternative Distribution Methods to credit card-embedded insurance products.

CAFII has subsequently sent a thank you letter to the AMF in which it thanked the Superintendent for the meeting and outlined in writing CAFII's understanding of the expectations of the AMF with respect to the 17 December, 2021 deadline. The AMF had indicated that a Working Group would be tasked with developing modified versions of the Fact Sheet and the Notice of Rescission, and at the 5 October, 2021 Board meeting approval for that process would be sought.

The Board had a broad discussion of the approach that CAFII should take going forward with the AMF on this file, which included item 5 (a) ii on the involvement of the CBA.

#### **ii) Possibility Of Re-Attempting To Secure CBA's Engagement In This Issue, Especially Re AMF-Led Pan-Industry Working Group On Modifying Fact Sheet and Notice of Rescission**

There was discussion around the importance of CAFII not making commitments around documents that credit card departments need to distribute for embedded insurance products in Quebec without expert credit card involvement, and that the CBA might be an ideal body to engage in such an effort. There was also discussion around not giving the AMF the impression that the CBA was involved in an effort to challenge applicability of the Regulation respecting Alternative Distribution Methods to credit card-embedded insurance benefits. While the Board supported continuing to review these matters including the appropriate membership in an AMF-led working group with industry on how to modify the Fact Sheet and Notice of Rescission, at this time the Board supported continuing with the existing strategy which is focused on complying with the Regulation.

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that CAFII would continue with the existing strategy with the AMF around credit card-embedded insurance benefits.

#### **iii) CAFII Working Group On Industry Alignment Around Compliance With AMF's Expectations Re RADM's Applicability To Credit Card-Embedded Insurance Benefits**

Karyn Kasperski gave an update on the progress made by the CAFII Working Group around the AMF's expectations around credit card-embedded insurance benefits, noting that the members of the Working Group felt that it was very impactful and was helping members determine how best to implement compliance with the Regulation.

**Item 5 (b): Preparation For October 14/21 Industry Issues Dialogue With AMF Staff Executives**

An update was provided on CAFII's preparations for a 14 October, 2021 industry issues dialogue with AMF staff executives, which will include two short CAFII presentations.

**Item 5 (c): Desire To Have Canadian Tire Bank Participate In CAFII's Quarterly CPI Benchmarking Study With RSM Canada**

Keith Martin noted that distributors contributing to the CAFII quarterly CPI benchmarking study have access to the full report, as do CAFII insurer members. However, new member Canadian Tire Bank is a monoline credit card CPI distributor alone, and this raises the issue of how best to provide this new member with the report. It was suggested that a member that contributes to the study in a very limited fashion should only have access to that data from other members, that they themselves contribute to in the report.

**Item 5 (d): Implications For CAFII Of Just-Released Regulations In Support of Federal Financial Consumer Protection Framework Aspects Of Bill C-86**

EOC Chair Rob Dobbins provided the board with possible implications of the new Regulations of the federal consumer protection framework around Bill-86 and their possible implications for the bancassurance sector.

**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 provided Board members with an update on the Working Group meeting on the FCAC's appropriateness guideline for CPI, noting that much progress had been made. The Working Group is identifying the elements of a submission to the FCAC on this issue, which could occur in a very short consultation window.

**Item 5 (f): CAFII-Commissioned Research/Thought Leadership Paper By Deloitte Canada On "Best Practices In The Digitization Of Credit Protection Insurance"**

Keith Martin provided the Board with an update on the process for the development of a research report on best practices in digitization for credit protection insurance. Mr. Martin noted that Deloitte has understood well the objectives of the project and has developed a good process for regular touchpoints with CAFII.

**Item 5 (g): Insights Gained From September 21/21 Meeting Of Saskatchewan Restricted Insurance Agent Advisory Committee**

Brendan Wycks provided an update on a 21 September, 2021 meeting of the Saskatchewan RIA Advisory Committee, noting that Moira Gill was the Committee chair, Charles MacLean had been elected Vice-Chair, and the meeting covered many matters including new audit powers provided to the Insurance Councils of Saskatchewan. Mr. Wycks noted that Councils Executive Director Ron Fullan would be retiring on 31 July, 2022.

**Item 5 (h): Insights Gained From CAFII/CLHIA/THIA Weekly Meetings Re Impact Of COVID-19 On Travel and Travel Insurance Industry**

Brendan Wycks provided an overview of the meetings on the implications of COVID-19 on the travel insurance industry, noting that foreign affairs indicated that a new travel advisory landing page was being developed for the public.

**Item 7: Meeting Termination**

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On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** to terminate the meeting.