

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

Thursday, October 29, 2024, 2:00-3:30pm

Minutes

Virtually:

Karyn Kasperski	RBC Insurance, EOC Chair
John Burns	Securian Canada, EOC Vice-Chair
Donald Hinnecke	RBC Insurance, Treasurer
Rob Dobbins	Assurant Canada
Jennifer Russell	Assurant Canada
Martin Boyle	BMO Insurance
Rebecca Saburi	BMO Insurance
Catherine Latulippe	Canadian Tire Bank
David Parkatti	Canadian Western Bank
Afzal Baig	Chubb Life Insurance Company of Canada
David Self	CIBC Insurance
Kevin Szweras	CIBC Insurance
Michelle Costello	CUMIS/The Co-operators
Deirdre Kennedy	CUMIS/The Co-operators
Isabelle Choquette	Desjardins
Suzie Blanchard	Manulife Financial
Janet Pacini-Thibodeau	Manulife Financial
Archie Sachdeva	Manulife Financial
Sharon Murrell-Foster	Manulife Financial
Gaël Jaron	National Bank Insurance
Shannon Dowe	RBC Insurance
Charles MacLean	RBC Insurance
Sushil Masih	RBC Insurance
Fernando Heleno	RBC Insurance
Marco DeiCont	Securian Canada
Jacqlyn Marcus	Securian Canada
Asma Desai	Securian Canada
Brad Kuiper	Scotia Insurance
Fay Coleman	TD Insurance
Shahnoor Khimjee	TD Insurance
Andrea Stuska	TD Insurance
Peter Thorn	TD Insurance
Jason Beauchamp	The Canada Life Assurance Company
Dallas Ewen	The Canada Life Assurance Company

Regrets:

William Oyetakin	BMO Insurance
Cynthia Golubic	Canadian Tire Bank
John Juba	Chubb Life Insurance Company of Canada
Lauren Ross	CIBC Insurance
Casandra Litniansky	CUMIS/The Co-operators
Diane Quigley	CUMIS/The Co-operators

Almas Satwat	CUMIS/The Co-operators
Nathalie Baron	Desjardins Insurance
Pierre-Olivier Cyr	Desjardins Insurance
Carmelina Manno	Manulife Financial
Katia Umutoniwase	Manulife Financial
Ivan Murray	National Bank Insurance
Jonathan Poulin	National Bank Insurance
Stacey Hughes-Brooks	RBC Insurance
Alfonso Movilla	Scotia Insurance
Mais El-Magraby	Scotia Insurance
Prithipal Rajasekaran	Scotia Insurance
Sean Kradjian	Scotia Insurance
Stephanie Kotani	Scotia Insurance

Also Present:

Keith Martin, *Executive Director*
Robyn Jennings, *Research Analyst*
Troy Woodland, *Association Coordinator*
Wendy Bairos, *Media Consultant*

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

Item 1 (a): Call to Order

The meeting was chaired by EOC Chair Karyn Kasperski, who called the meeting to order.

Item 2: Consent Items

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

- Consultations/Submissions Timetable
- September/October Regulatory Update
- Regulator and Policy-Maker Visit and Communication Recap
- Summary of Board and EOC Action Items
- Schedule of CAFII 2024 Meetings and Events
- EOC Approved Schedule of CAFII 2025 Meetings and Events

Item 3: Financial Management Matters

Item 3 (a): CAFII Financial Statements as at September 30/24

CAFII Treasurer Donald Hinnecke provided an update on CAFII's financial statements as at September 30/24. Member associate revenue dues were higher than anticipated due to the addition of a new initiation member and one net new associate. Interest revenue was above expectations and will continue this way until the year end. Association operating expenses were below expectations; CAFII is spending \$45K versus the anticipated \$56K. This was a result of lower staffing costs and no legal expenses. Otherwise, all operating costs remain as anticipated, expect for a slight increase in Managing Matter expenses to help remedy the staffing vacancy. Networking & Events Committee did incur some expense due to Board meetings and the EOC Appreciation Dinner. Media and Advocacy has a slightly

lower retainer cost for the media consultant than planned due to the structure of the contract with the media consultant having changed so that overruns in a given month are not charged against CAFII but rather are drawn from a bank of previously unused hours. Overall, CAFII's net income is positive, and the Association will continue to see healthy and robust results.

At the end of September, CAFII still had the erroneously deposited \$450K in its account, thereby skewing CAFII's balance sheet. In mid-October, the funds were finally returned to the correct owner. CAFII has a healthy cash amount in its bank account. CAFII's GIC matured in October. Deferred revenue is dropping every month and will be gone by the end of the year. Some sizeable invoices will be going out soon, including for CAFII's website enhancements. CAFII has \$715K of free capital, which is a strong position to be in.

Item 3 (b): CAFII Forecast as at September 30/24

CAFII Treasurer Donald Hinnecke provided an update on CAFII's forecast as at September 30/24. CAFII continues to see strong revenue numbers for the budget and investment income. A number of expenses have been updated. There was a one-time cost relating to recruiting fees for the replacement of the Operations Manager; the website and SEO enhancements will be \$25-30K lower than expected; and there was a slight uptick in members' communication technology tools. Professional development expenses have been deferred to the next fiscal year. The Research & Education Committee will spend a bit less than budgeted, and there was a higher cost for the Annual Luncheon, meaning that Networking & Events spent a bit more than anticipated. Media Advocacy's expenses are trending lower than planned. CAFII's GIC matured in October; of the \$409K, \$300K was reinvested, and the rest was used for operating expenses. Overall, CAFII expects to have a surplus of \$18K versus the anticipated deficit of \$96K. This is due to diligent expense management and will position the Association strongly for 2025.

Item 3 (c): CAFII Critical Path for 2025 Operating Budget

CAFII's Executive Director, Keith Martin, updated the EOC on CAFII's critical path for the 2025 Operating Budget. He explained that the Path includes the key dates to achieve objectives around the approval of the 2025 Operating Budget. The two key dates are the December 3/24 Board Meeting and the November 19/24 EOC meeting. A well-advanced EOC Operating Budget will be presented for review and potential endorsement at the November EOC meeting. Lengthy discussions have been ongoing to prepare for the aforementioned dates, and a first draft of the 2025 operating budget has already been created and shared with the EOC Chair, Vice Chair, and Treasurer.

Item 4: Committee Updates

Item 4 (a): Marketing Conduct & Licensing

i. Federal Department of Finance Proposed Amendment to the Criminal Code to Include Insurance Costs in the Calculation of Interest

Market Conduct & Licensing Chair Brad Kuiper and CAFII's Executive Director Keith Martin informed the EOC that, since the last EOC meeting, the Federal Department of Finance has not met with CAFII but did meet with the CLHIA to discuss the proposed amendments to the criminal code. At this meeting, the Department asked for data on how many credit protection insurance (CPI) sales are made after the loan instrument, like a mortgage, is offered. K. Martin expressed his concern with this request because it implies the regulator is possibly thinking about a deferred sales model, which does not work for CPI.

K. Martin is not certain this is why the Department is requesting this data, but he would prefer to be cautious and monitor this carefully. He has also raised this concern with the CLHIA. The CBA also inquired if any meetings have been held because they have yet to hear from the Department.

EOC Chair Karyn Kasperski commented that she believes the Department is asking this question because statements were made in the CBA responses, and possibly the CLHIA, that creditor insurance can be added at any point in time. The federal regulators may, therefore, be looking to determine how much of the business will be implicated by their amendments if this is the case. CLHIA is meeting on October 30/24 to discuss the data they have been asked to collect for the Department. K. Kasperski encouraged all EOC members to reach out to their CLHIA representatives to understand how the CLHIA is thinking about positioning this data. K. Martin added that the CLHIA was appreciative that he shared his concerns with them.

After a lengthy discussion, it was agreed that CAFII would contact the Department to ask for the status of the file and if they have any questions regarding CAFII's submission. K. Martin will reiterate that CAFII is happy to meet with the Department. K. Martin will also reach out to the CLHIA to see where they stand, what their perspective is, and what they hope to achieve.

[Action Item: K. Martin to contact the Department of Finance to inquire after the status of the file and reiterate CAFII's willingness to meet with the Department; K. Martin, 2024].

[Action Item: K. Martin to contact the CLHIA to inquire after the regulator's perspective, priorities, and goals regarding the Department of Finance's data request; K. Martin, 2024].

Item 4 (b): Quebec Committee

i. Debrief on the October 8, 2024, Industry Issues Dialogue with AMF Executives, as well as earlier Breakfast with Valerie Gillis, Keith Martin, Hugo Lacroix, and Mario Beaudoin

Quebec Committee Chair Jennifer Russell and CAFII's Executive Director Keith Martin updated the EOC on the October 8/24 Industry Issues Dialogue with AMF executives in Montreal, QC. This also included a breakfast beforehand with CAFII Board Chair Valerie Gillis, Keith Martin, Hugo Lacroix, and Mario Beaudoin. K. Martin explained that both meetings were successful. The breakfast was amicable, and both AMF representatives said they were eager to keep the lines of communication open. H. Lacroix did tell K. Martin that he does not anticipate any major policy developments from the AMF in the next three or four years with respect to insurance or CPI specifically.

At the Industry Issues Dialogue meeting, M. Beaudoin made a presentation, which he distributed to CAFII. The day after this EOC meeting (October 30/24), the Quebec Committee will review his presentation and take notes to capture each company's planned response to the information presented. EOC Chair Karyn Kasperski said she would like the Quebec Committee to determine a general response to the information presented, including whether an industry response should be made to the approach the AMF is taking.

[Action Item: K. Martin and the Quebec Committee to establish a position for CAFII regarding the information presented by Mario Beaudoin (AMF) on October 8/24; K. Martin, 2024].

Item 4 (c): Media Advocacy Committee

i. Proposal to Merge the Research & Education Committee and the Media Advocacy Committee

On behalf of the Chair of the Media Advocacy Committee, Jacqlyn Marcus, CAFII's Executive Director, Keith Martin, updated the EOC on the Media Advocacy Committee's recent developments. Progress has been made on the implementation of the media strategy; in particular, CAFII has now signed contracts with website vendors, and work has begun on the development of two new website videos, on search engine optimization, and on the rebuild of the CAFII backend.

Research & Education Chair Andrea Stuska and K. Martin informed the EOC of the proposal to merge the Research & Education Committee and the Media Advocacy Committee. A. Stuska explained that this proposal derives from the shared priorities and close ties between the two committees. K. Martin explained that, with the strategic plan and the media strategy both now in place, this amalgamation allows for a more efficient implementation of an approved and well-developed strategy. It will not incur any additional costs.

The EOC approved the merging of the Research & Education Committee and the Media Advocacy Committee into an amalgamated Research, Media, Education, and Communication (RMEC) Committee, with Andrea Stuska as Chair and Stephanie Kotani as Vice Chair.

ii. Update on Board-Approved Media Plan

CAFII Executive Director Keith Martin updated the EOC on the Board-approved Media Plan and the next steps in the implementation of the media plan, including an article submission to the National Post. The Board was supportive of the direction CAFII's Media Consultant, Wendy Bairos, has suggested. The primary focus is content creation, especially controlled content like LinkedIn, videos and webinars, and blog posts. Another important part of the media plan is getting more exposure to mainstream media, hence the intention to submit an article to the National Post. The Board did recommend an additional step, which was to have one of CAFII's members' legal department look over any articles produced for mainstream media. Because of this extra step, the proposed article itself was not approved at the last Board meeting, and instead, an email approval of the updated article will be sought from the Board.

K. Martin then explained that CAFII is moving forward with the front and backend website enhancements and that the proposed videos will also be shared with the EOC when they are ready.

[Action Item: CAFII to seek email approval of the updated National Post Article; K. Martin, 2024].

iii. Next Steps in Media Plan-Update on Article for Submission to National Post

This item was included and discussed in the update for agenda Item 4(c)ii.

iv. Update on Front and Backend Website Investments

This item was included and discussed in the update for agenda Item 4(c)ii.

Item 4 (d): Research & Education

i. Update on Deloitte Research on Technology Trends and Artificial Intelligence

Research & Education Chair Andrea Stuska updated the EOC on the Deloitte research on technology and artificial intelligence (AI). Deloitte has already completed most of their interviews with CAFII members. The next phase will be to release a survey to CAFII members for completion. A draft of this survey has already been circulated to the Research & Education Committee for feedback, which has been provided. There is a meeting the week following this meeting (first week of November 2024) to discuss the changes requested to the survey. Afterwards, the survey will be sent via email to one representative from each of CAFII's member companies. It is up to each CAFII member to determine who they want to complete the survey. Though the document will be sent to one representative, internal coordination and collaborative completion are encouraged. Once completed, Deloitte will summarize the findings for discussion with the Research & Education Committee before circulating it within the EOC.

Item 4 (e): Diversity, Equity, and Inclusion Working Group

i. DEI Working Group Next Steps

On behalf of Tejal Harri-Morar, Chair of the Diversity, Equity, and Inclusion Working Group, CAFII Executive Director Keith Martin gave an update on the DEI Working Group's next steps, which include finalizing a DEI survey of CAFII's member companies conducted over the summer. The findings indicate that all members are engaged in DEI and have well-advanced policies and procedures in place. CAFII's Research Analyst, Robyn Jennings, is the lead on this item, with support and help from K. Martin and T. Harri-Morar.

In terms of the next step, the Working Group will discuss the group's future at its next meeting. It is felt that the group's mandate has been largely achieved, and the intention is to recommend to the EOC at the November 19, 2024, meeting endorsement of a recommendation to wind down the Working Group as it has achieved the objectives for which it was created.

Item 4 (f): Networking & Events

i. Fall 2024 Webinars

Member of the Networking and Events Committee Janet Pacini-Thibodeau informed the EOC that the Committee has started the process of identifying webinar topics and speakers for CAFII's 2025 webinars and luncheons. By November, more concrete information about confirmed presenters will be available. CAFII Executive Director Keith Martin mentioned that one more webinar on travel insurance will be held in November 2024.

Item 5: Strategic and Regulatory Initiatives

Item 5(a): Update on Expansion of the RSM Canada Quarterly Benchmarking Study

CAFII Executive Director Keith Martin informed the EOC that CAFII is interested in expanding its Quarterly Benchmarking Study with RSM Canada to include HELOCs. RSM Canada has now indicated the cost of the enhancement, which is higher than expected. K. Martin is in conversation with RSM Canada to try and lower the cost of implementing the enhancement.

Item 6: Governance Matters

Item 6 (a): Proposal to Bill Canadian Western Bank Quarterly in 2025, Pending Merger with National Bank

CAFII Executive Director Keith Martin updated the EOC on the proposal to bill Canadian Western Bank (CWB) quarterly in 2025, pending the merger with National Bank. CWB has indicated that it may have difficulty paying a full year's due early in 2025, when it may not remain a member of CAFII for the full year, depending on when the merger is closed.

In discussion, there was a desire to support CWB but also a concern that CAFII has an annual billing policy. It was suggested that a better approach would be to bill CWB for the full 2025 year. If the close happens before the end of 2025 and CWB does not remain a member of CAFII for some period in 2025, CAFII will be open to discussing the possibility of a partial rebate.

[Action Item: K. Martin to speak with Elizabeth Gandolfi (CWB) to suggest that CAFII bills CWB in 2025 for the full year but will be open to further discussions about a partial rebate if CWB does not remain a member for the full year; K. Martin, 2024].

Item 6 (b): CAFII Proposed Policy Around Who Can Join CAFII Committees

EOC Chair Karyn Kasperski updated the EOC on the proposed policy around who is permitted to join CAFII committees. K. Kasperski explained that, in the April 2024 Board meeting, CAFII's Executive Director, Keith Martin, the then-EOC Chair, Rob Dobbins, the then-Vice-Chair, Karyn Kasperski, and the Board were discussing how the EOC has grown. The Board made a request to document governance policies around who can join the EOC, committees, working groups, and sub-committees. An approach outlining principles associated with membership has been provided. The most important component is that joining a CAFII Committee or Working Group requires that the person in question be an employee of a CAFII member.

The EOC endorsed the Proposed Policy around who can join CAFII Committees for presentation to the Board for approval at the December 3/24 Board meeting.

Item 6 (c): DISCUSS: Do Members of the EOC or Other Committee Circulate CAFII Documents Internally for Feedback Prior to Commenting on Them?

EOC Chair Karyn Kasperski explained to the EOC that, after a discussion on the National Post article and the process for offering input on it, CAFII's leadership wanted to see if its members were, indeed, circulating CAFII documents internally for feedback prior to commenting on them and returning them to CAFII. Research & Education Chair Andrea Stuska commented that TD Canada does circulate documents internally, including legal documents. EOC member Michelle Costello also said that CUMIS/Co-Operators circulate the documents internally.

Item 6 (d): Update on Hiring Operations Manager

CAFII Executive Director Keith Martin informed the EOC that he had no updates regarding hiring an Operations Manager, and he is still working with Managing Matters to move this file forward.

Item 6 (e): Update on Board Decisions at the October 8, 2024, Board Meeting: Rescinding the Policy Around Reimbursement of Regulatory Tours and Reception Expenses; Approval of the CAFII 3-5 Year Strategic Plan; Approval of the CAFII Media Plan

CAFII Executive Director Keith Martin informed the EOC that at the October 8/24 Board meeting, the Board rescinded the policy around reimbursement of Regulatory Tours and Reception Expenses and approved CAFII's 3-5 Year Strategic Plan.

Item 6 (f): Feedback from Robyn Jennings 1-on-1 EOC Meetings

CAFII's Research Analyst, Robyn Jennings, updated the EOC on her 1-on-1 meetings with EOC members. Since the summer, the frequency of the meetings has slowed significantly. R. Jennings encouraged any EOC members who have not set up meetings with her to do so.

Item 6 (g): Draft Minutes of September 19/24 EOC Meeting.

The EOC approved the minutes of the September 19/24 EOC Meeting.

Item 6 (h): Draft Minutes of October 8/24 BOD Meeting

The EOC endorsed the minutes of the October 8/24 BOD Meeting.