

**EXECUTIVE OPERATIONS COMMITTEE IN-PERSON/HYBRID MEETING
CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE (CAFII)
Tuesday, September 19, 2023, 3:00-5:00pm
At the offices of BMO, 68th Floor, First Canadian Place, Toronto
*MINUTES***

EOC Members Present:

In-Person:

Rob Dobbins	Assurant and EOC Chair
Martin Boyle	BMO Insurance
Lauren Ross	CIBC Insurance
Konstance Allain	CIBC Insurance
Carmelina Manno	Manulife
Janet Pacini-Thibodeau	Manulife
Katia Umutohiwase	Manulife
Donald Hinnecke	RBC Insurance and Treasurer
Sean Kradjian	Scotia Insurance
Prithipal Rajasekaran	Scotia Insurance
John Burns	Securian Canada
Peter Thorn	TD Insurance
Jason Beauchamp	The Canada Life Assurance Company
Marco DeiCont	Valeyo

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Virtually:

Jennifer Russell	Assurant
Catherine Latulippe	Canadian Tire Bank
John Juba	Chubb Life Insurance Company of Canada
Michelle Costello	CUMIS/The Co-operators
Isabelle Choquette	Desjardins Insurance
Suzie Blanchard	Manulife
Jonathan Poulin	National Bank Insurance
Fernando Heleno	RBC Insurance
Shannon Dowe	RBC Insurance
Charles MacLean	RBC Insurance
Iman Muntazir	RBC Insurance
Bradley Kuiper	Scotia Insurance
Deliska Beauregard	Securian Canada
Fay Coleman	TD Insurance
Fergal Murphy	TD Insurance
Dallas Ewen	The Canada Life Assurance Company
Jacqlyn Marcus	Valeyo

Regrets:

Tejal Harri-Morar	BMO Insurance
Farhad Eslah	Canadian Tire Bank
Cynthia Golubic	Canadian Tire Bank
Afzal Baig	Chubb Life Insurance Company of Canada
David Self	CIBC Insurance
Doug Weir	CIBC Insurance
Almas Satwat	CUMIS/The Co-operators
Diane Quigley	CUMIS/The Co-operators
Jawid Kargger	CUMIS/The Co-operators
Cassandra Litniansky	CUMIS/The Co-operators
Nathalie Baron	Desjardins Insurance
Pierre-Olivier Cyr	Desjardins Insurance
Sharon Murrell-Foster	Manulife
Ivan Murray	National Bank Insurance
Stacey Hughes-Brooks	RBC Insurance
Karyn Kasperski	RBC Insurance and Vice Chair
Asma Desai	Securian Canada
Andrea Stuska	TD Insurance
Maira Gill	TD Insurance

Also Present:

Brendan Wycks, *Co-Executive Director*
Keith Martin, *Co-Executive Director*
Robyn Jennings, *Research Analyst*
Shanay Smith, *Operations Manager*
Troy Woodland, *Association Coordinator*

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

Item 1 (a): Call to Order and Welcome to New EOC Members

The meeting was chaired by EOC Chair Rob Dobbins, who called the meeting to order and welcomed new Research Analyst Robyn Jennings, Operations Manager Shanay Smith, and CAFII Association Coordinator Troy Woodland.

Item 2: Consent Items

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

- Consultations/Submissions Timetable;
- September 2023 Regulatory Update;
- Regulator and Policy-Maker Visit Plan Recap;
- Summary of Board and EOC Action Items; and

- e. Board-Approved Schedule of CAFII 2023 Meetings and Events.

Item 3: Financial Management Matters

Item 3 (a): CAFII Financial Statements as at August 31/23

CAFII Treasurer Donald Hinnecke provided an update on CAFII's financials as at June 30/23, noting that the Association had an overall quiet summer with minimal spending, putting CAFII in a net surplus position. CAFII is, therefore, also in a strong cash position thanks to unbudgeted investment income, unbudgeted member dues from one additional member (Chubb Life), and lower spending than anticipated year-to-date (no litigation fees, cancelled meetings, minimal office expenses, etc.). Higher spending is projected for September and remaining months to year-end, due to backend-weighted expenses such as new staff hires.

Item 3 (b): Forecast for CAFII 2023 Fiscal Year as at August 31/23

CAFII Treasurer Donald Hinnecke projected that CAFII will remain in good financial shape over the remaining four months of the fiscal year, thanks to modest incremental revenue (higher member dues and interest income) and prudent expense management. CAFII is forecasted to end the fiscal year with a higher level of financial reserves as a percentage of annual operating expenses: 57% if expense levels play out as forecasted over the remainder of the year. CAFII will keep an eye, however, on the following pending expenses: new staffing and management structure, the new LIMRA research project, and regulatory tour travel expenses.

Item 3 (c): Planned Updates and Changes to Current CAFII Cheque Signing Authorities Policy (To Be Approved by Board at October 10/23 Meeting)

Co-Executive Director Brendan Wycks presented a draft CAFII Electronic Payables and Cheque-Signing Authority Policy. The aim of this new policy is to document a recently implemented modernization under which CAFII, through Managing Matters, has been able to utilize electronic payments instead of cheques to settle invoices and expenses. The draft policy stipulates \$20K as a line of demarcation in terms of who can be an approver for Electronic Payables of varying amounts. As proposed in the draft policy, for amounts over \$20K, approvers must be CAFII staff; however, for amounts less than \$20K, approvers can come from both Managing Matters controller/accountant and its CEO; and CAFII. The cheque-signing aspect is not proposed to change from the former policy, maintaining a line of demarcation of \$2,500.

While the EOC supported CAFII's recent transition to electronic payments and the need to document current practices in a new policy, EOC members provided the following major point of feedback, namely that a representative of Managing Matters should never be an approver of a set of electronic payables items in which the payee for one or more items is Managing Matters itself. Therefore, the draft policy should be amended to require that two CAFII staff members/representatives be the approvers of all electronic payables.

B. Wycks agreed to amend the draft policy to reflect the EOC's feedback and to bring a revised draft to the next EOC meeting on October 24/23, for review and approval.

ACTION: Amend the draft Electronic Payables and Cheque-Signing Authorities Policy to reflect the EOC's feedback and bring revised draft to the next EOC meeting for review and approval [B. Wycks; October 20, 2023].

Item 3 (d): Proposal from Operatic Agency for Development of New Back-End of CAFII Website (for Inclusion in CAFII 2024 Operating Budget)

Co-Executive Director Keith Martin presented CAFII's proposal from Operatic Agency for the development of a new back-end for CAFII's website (intranet). There have been significant issues with Drupal, which is the technology used to run the current back-end. Therefore, CAFII, through Operatic Agency, is proposing the building of an entirely new back-end site. CAFII has estimated a \$40K budget (one-time spend). This proposal was presented to the Media Advocacy Committee and received its endorsement.

EOC unanimously endorsed recommending to the Board that it support the proposal for the building of a new back-end of the CAFII website, including a provision of \$40K for this one-time expense in the 2024 CAFII Operating Budget.

Item 4: Committee Updates

Item 4 (a): Diversity, Equity, and Inclusion

i. Current Priorities and Initiatives for Working Group

Co-Executive Director Keith Martin reported that there have been several recent meetings of the Diversity, Equity, and Inclusion Working Group that have examined policies and research findings from other comparable organizations on diversity and inclusion. Those findings have been compiled into an easy-to-digest excel file compiled by Working Group Chair Tejal Harri-Morar and circulated to all members. The Working Group now wants to engage in more research in order to determine what recommendations it will make to the EOC and, ultimately, the Board regarding DEI.

Item 4 (b): Market Conduct & Licensing

i. Approach That CAFII Should Take in Raising Issues of Industry Concern RE Compliance with Rule INS-001 and with Restricted Insurance Representative (RIR) Licensing Regime Generally in September 22/23 Liaison Meeting with New Brunswick Superintendent of Insurance A. Mazerolle and FCNB Insurance Division Colleagues

Co-Executive Directors Keith Martin and Brendan Wycks asked the EOC for input on the approach that should be taken to the upcoming meeting with FCNB Superintendent of Insurance Angela Mazerolle and Insurance Division colleagues, with respect to FCNB Rule INS-001 and the implementation challenges of New Brunswick's recently launched Restricted Insurance Representative (RIR) licensing regime. In previous conversations and stakeholder submissions about the imminent new licensing regime, the FCNB largely ignored what stakeholders, including CAFII, Recommended as adjustments to the Rule.

The EOC advised CAFII to take a mixed and balanced approach to the upcoming FCNB meeting on September 21/23, in which some conversation focus should be placed upon the Rule INS-001 and related issues requiring redress, with insights and constructive suggestions offered, while keeping the meeting positive and focused on the future.

ii. Market Conduct & Licensing Committee's Recommended Next Steps Re CAFII's Raising with FCNB of Insurer Proprietary/Competitive Issue Identified Re Complying with Section 45(1) of Rule INS-001 RE RIR Licensee Disclosure of Compensation/Inducement/Benefit Received from Insurer that Exceeds 30% of Premium to be Paid by Consumer

Co-Executive Directors Keith Martin and Brendan Wycks asked the EOC for input on the best course of action regarding CAFII's intention to dialogue with FCNB, in their in-person/hybrid liaison meeting on September 21/23, about the requirement to not only disclose situations where an agent received more than 30% of the premium as commission, but also to disclose the actual amount, which some CAFII members had identified as a problematic aspect of New Brunswick's Rule INS-001 since that was competitively sensitive information.

The EOC recommended that CAFII suggest to FCNB that it look at the parallel Quebec approach to dealing with the same issue of compensation disclosure, where the amount of the compensation does not need to be disclosed. There was EOC consensus that this issue should be raised at CAFII's upcoming September 21/23 meeting with FCNB, but not be one that receives too much emphasis.

Item 4 (c): Quebec/AMF Issues

i. Issues Discussed at and Insights/Initiatives Emerging from September 13/23 Committee Meeting

Quebec/AMF Issues Committee Chair Jennifer Russell and Co-Executive Director Keith Martin provided a brief update on issues discussed at and insights that had emerged from the committee's September 13/23 meeting.

ii. Plans for September 28/23 Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to AMF Staff Executives in a Special Purpose In-Person (in Quebec City)/Hybrid Meeting in French Only

Co-Executive Director Keith Martin presented CAFII's plan for a special presentation to the AMF, in French only, on September 28/23 at the AMF's head office in Quebec City; and asked the EOC for input as to the optimal approach to take. EOC members provided advice on certain components of the presentation deck to highlight for the AMF staff executives; and K. Martin committed to produce and circulate a detailed written summary of the meeting in English after it occurs.

iii. Plans for September 29/23 Quarterly Virtual Liaison Meeting Between CAFII Board Chair P. Thompson and AMF Superintendent E. Jacob

See item 4(c)iv below for update regarding the anticipated main topic for discussion at this quarterly virtual liaison meeting between CAFII and the AMF.

iv. Re-opening Dialogue with AMF on Spousal Insurance Issue

Co-Executive Director Keith Martin raised the possibility of CAFII re-opening a dialogue with the AMF on its previously communicated position to the Association and its members that all Spousal CPI policies in Quebec be run-off or terminated by January 1/25. EOC members expressed concern about that impending deadline.

EOC consensus was that CAFII should try to change the AMF's position and request that any existing such policies be run-off through natural attrition over an indefinite period of time. If such natural attrition is not accepted by the AMF, then a less desirable second approach would be to request another deadline extension.

Further conversation on this issue with the AMF is required; therefore, it is planned that this topic will be broached at the September 29/23 quarterly virtual liaison meeting between CAFII Board Chair Peter Thompson and the AMF Superintendent Eric Jacob.

Item 4 (d): Media Advocacy

i. CAFII Website Video on How to Make a Credit Protection Insurance Claim

Keith Martin provided an update on the CAFII website video on how to make a credit protection insurance claim. This video is being created by Operatic Agency; the final version will be shareable soon. Informational videos on the CAFII website have proven to be helpful for search engine optimization (SEO) and to demonstrate to regulators that the CAFII website contributes to consumer financial literacy (CFL).

ii. Transition to a New CAFII Media Consultant

Media Advocacy Committee Chair Jacqlyn Marcus updated the EOC on the recent departure of CAFII's media consultant, David Moorcroft. She stressed the critical nature of this role to CAFII and mentioned that his departure was recently raised with the Media and Advocacy Committee to ask if committee members would circulate internally the position's job description (10 hrs/week, retainer position). The same request was made to EOC members, as sourcing a successor candidate from among those known to CAFII member companies would be ideal.

Item 4 (e): Research and Education

i. EOC-Approved CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments

Co-Executive Director Keith Martin provided an update on the EOC-Approved CAFII 2023 research project being conducted by LIMRA on CPI's accessibility to and utility for Canadian consumer segments. The project's objective is to learn if a higher percentage of Canadians in lower income strata, who have a mortgage or a HELOC, have CPI on their mortgage or HELOC than wealthier Canadians, and if wealthier mortgage holders have a higher percentage of term insurance. The delivery date for the results of this research is projected as November 2023; the research will then be released in 2024.

ii. Arranging an Opportunity to Present CAFII's 2023 Research Results-Focused PowerPoint Deck to FSRA Staff Executives

Co-Executive Director Keith Martin informed the EOC that he had contacted FSRA to offer to present CAFII's 2023 regulatory and policy-maker tour presentation to its staff executives. The presentation would ideally occur in October or November and could be virtual and/or hybrid. K. Martin noted that he is confident that FSRA will accept the presentation offer.

EOC members proposed that CAFII consider making this presentation offer to FCAC staff executives as well. That suggestion will be included in the Agenda of the next EOC meeting on October 24/23.

Item 4 (f): Networking & Events

i. September 26/23 CAFII Webinar with Stuart Wilkinson, FSRA's Chief Consumer Officer

Co-Executive Director Keith Martin updated the EOC on CAFII's upcoming September 26/23 webinar, which will feature him briefly dialoguing with FSRA Executive Vice President Glen Padassery about his vision for the Authority's Consumer Office, followed by a fireside chat with FSRA's Chief Consumer Officer Stuart Wilkinson.

Item 4 (g): Travel Insurance Experts

Travel Insurance Experts Committee Chair Katia Umutoniwase reported that the travel insurance industry has been very busy dealing with a significant increase in consumer travel now that the COVID-19 pandemic-related restrictions have been lifted. Overall, the number of problematic issues has diminished thanks to COVID-19's decline. She also noted that when the Travel Insurance Experts Committee meets again, it will be welcoming two new members – Michel Winterburn (Senior Manager at Scotia Insurance) and Ryan Basant (Product Manager, Wellness & Protection Insurance at CIBC Insurance).

Item 5: Strategic and Regulatory Initiatives

Item 5 (a): Feedback Received from Western Canadian Insurance Regulators and Policy-Makers Upon CAFII's Post-Tour Dissemination of Research Results-Focused Presentation Deck

Co-Executive Director Keith Martin reported that, as per previous EOC consensus/approval, his dissemination of a copy of CAFII's regulatory and policy-maker deck had been very well-received by Western Canada insurance regulators and policymakers.

Item 5 (b): Survey of CAFII Member Companies on Distribution of CPI Fulfilment Packages

Co-Executive Director Keith Martin reported that some CAFII member companies had requested that the Association issue a member survey on their methods of distribution of CPI fulfilment packages. The survey's results will be communicated on an aggregated and anonymous basis.

ACTION: Distribute the Survey of CAFII Member Companies on Distribution of CPI Fulfilment Packages [EOC members; September 22, 2023].

Item 5 (c): Confirmed Itineraries/Plans for an In-Person Representation at CAFII 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour: Phase 1 (PEI and New Brunswick) and Phase 2 (Nova Scotia and Newfoundland)

Co-Executive Director Brendan Wycks reported that Phase 1 of CAFII's Fall 2023 Atlantic Canada Insurance Regulators and Policy-makers Visits Tour will take place in Charlottetown, PEI, and Fredericton, NB, on September 21/23 and 22/23, with four CAFII member representatives participating in-person along with the CAFII staff team. Thereafter, Phase 2 will take place on October 18/23 and 19/23 in Halifax, Nova Scotia, and St. Johns, Newfoundland and Labrador.

Item 6: Governance Matters

Item 6 (a): CAFII Board Vice-Chair Succession

Co-Executive Director Keith Martin reported that, through the Association's Nominating Committee process, Paul Cosgrove (Assurant) has been identified as the Board member candidate to succeed Wally

Thompson, who will be retiring on October 13/23. P. Cosgrove will be formally appointed at the Board meeting in Montreal on October 10/23.

Item 6 (b): Implementation of Board-Approved 'New CAFII Management Structure'

Co-Executive Director Keith Martin reported that, as approved by the Board, CAFII has already begun to adopt a new management structure, including two new hires (Shanay Smith and Robyn Jennings). A key element to this structural change is the need for policy and procedure documentation, and therefore CAFII, through the recently created Operations Manager position (Shanay Smith), will capture all of CAFII's policies and procedures in a single document that will preserve this information. The two new hires are also attending both Phase 1 and Phase 2 of the Fall 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour to get hands-on learning.

Item 6 (c): Proposed 2024 CAFII Schedule of Meetings and Events

Co-Executive Director Brendan Wycks reported on the proposed 2024 schedule for CAFII Meetings and Events. The EOC gave its endorsement of the proposed 2024 schedule to put forward to the Board. The first in-person EOC meeting is scheduled for April; the January, February, and March EOC meetings will be conducted virtually to avoid inclement winter weather travel issues.

The four Board meetings in 2024 will be in the usual months of April, June, October, and either the final Tuesday of November or the first Tuesday of December.

Item 6 (d): Plans for September 19/23 EOC Appreciation Dinner

Co-Executive Director Brendan Wycks reported that the Annual EOC Appreciation Dinner, taking place shortly after the conclusion of this meeting at Hot House Café at 65 Church Street, Toronto, has a *prix fixe* meal plan and a planned icebreaker exercise with a prize.

Item 6 (e): Plans for October 10/23 CAFII/AMF Informal Liaison Lunch; CAFII/AMF 'Industry Issues Dialogue'; and Abbreviated CAFII Board Meeting in Montreal

Co-Executive Director Brendan Wycks reported that, as planned for the October 10/23 Board Meeting, the immediately preceding Informal Liaison Lunch and Industry Issues Dialogue with AMF staff executives will follow the structure of those events in recent years and will involve a shared agenda approach. The goal of CAFII's presentation during the Industry Issues Dialogue will be one of thanks and appreciation to the AMF for its numerous interactions and work with CAFII over the last year.

Item 6 (f): Draft Minutes of July 18/23 EOC Meeting

The EOC approved the minutes of the July 18/23 EOC meeting.