

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

Tuesday, June 7, 2022

2:20 to 3:50 p.m. EDT

Minutes

<b>Board Members</b>	Chris Lobbezoo	Royal Bank Insurance (outgoing Chair) (in-person)
<b>Present:</b>	Peter Thompson	National Bank Insurance (incoming Chair) (in-person)
	Paul Cosgrove	Assurant (virtual)
	Zack Fuerstenberg	ScotiaLife Financial (in-person)
	Peter McCarthy	BMO Insurance (virtual)
	Nicole Benson	Valeyo (virtual)
	Kelly Tryon	CUMIS/The Co-operators (virtual)
	Rob Robinson	Canadian Premier Life Insurance Company (virtual)
	Simon Lacroix-Hubert	Desjardins (virtual)
	Sophie Ouellet	Sun Life (virtual)
	Atanaska Novakova	TD Insurance (in-person)
	Adam Vespi	Canadian Tire Financial Services (in-person)
<b>Regrets:</b>	Louie Georgakis	The Canada Life Assurance Company
	Ian Oncea	CIBC Insurance
	Wally Thompson	Manulife Financial
<b>Also Present:</b>	Brendan Wycks, Co-Executive Director (in-person)	
	Keith Martin, Co-Executive Director (in-person)	
	Rob Dobbins, EOC Chair and Board Secretary (in-person)	
	Jake Becker, Association Coordinator (in-person)	
	Tony Pergola, ScotiaLife Financial (outgoing Treasurer) (virtual)	
	Donald Hinnecke, Royal Bank Insurance (incoming Treasurer) (in-person)	
	David Self, CIBC Insurance (representing CAFII Director Ian Oncea) (virtual)	

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

Chris Lobbezoo welcomed all to this first meeting of the 2022-23 CAFII Board of Directors -- which was held at the downtown Toronto offices of TD Bank at 66 Wellington St. West, as well as virtually on the Microsoft Teams platform -- and he called the meeting to order at 2:20 p.m. Jake Becker acted as Recording Secretary.

**Item 1(a): Welcome to New CAFII Director: Simon Lacroix-Hubert, Desjardins Insurance**

Chris Lobbezoo welcomed new CAFII Director for Desjardins Insurance, Simon Lacroix-Hubert, who had just been appointed to the Board via the immediately preceding CAFII 2022 Annual Meeting of Members. Mr. Lacroix-Hubert introduced himself to his CAFII Board member colleagues, and said he was looking forward to participating in CAFII's deliberations.

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

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the meeting Agenda be and is approved as amended, to include a special update from Co-Executive Director Keith Martin.

### Item 1(c): Review and Acceptance of CAFII Competition Law Policy

Mr. Lobbezoo recalled that the CAFII Competition Law Policy provided in the Board meeting package had been adopted by the Association's then-Board of Directors on April 3, 2008. The Association's practice has been to highlight the key principles set out in the Competition Law Policy annually, at this first Board meeting in a new CAFII governance year, he indicated.

Mr. Lobbezoo highlighted that the CAFII Competition Law Policy commits the Association's Directors and other Member representatives who participate in the Association's affairs to avoidance of the following:

- making or discussing any agreement on prices, premiums, fees, or products;
- exchanging cost information (with the intent to fix prices or reduce competition);
- restricting independent dealing with industry suppliers; and
- precluding, arbitrarily, participation in CAFII in a manner that may limit competition.

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the 2022-2023 CAFII Board of Directors hereby commits to comply with and abide by the CAFII Competition Law Policy.

### Item 1(d): Appointment of 2022-2023 CAFII Officers

Mr. Lobbezoo noted that, as this was the first Board meeting following the appointment of the Association's 2022-2023 Directors, the Board must now appoint the volunteer Officers of the Association for 2022-2023, with those volunteer Officer positions being Board Chair; Board Vice-Chair; Board Secretary & Executive Operations Committee Chair; Vice-Board Secretary & Executive Operations Committee Chair; and Treasurer.

Mr. Lobbezoo explained that Article 7.1 of the CAFII Bylaw specifies that *"the Directors shall select annually Officers of the Corporation. Except for the Executive Director, Officers shall hold their position for a period of one year."*

The following slate of Officers was nominated for appointment by the Board:

Board Chair:	Peter Thompson, National Bank Insurance
Board Vice-Chair:	To Be Announced And Confirmed In Due Course
Board Secretary & EOC Chair:	Rob Dobbins, Assurant Canada
Vice-Board Secretary & EOC Chair:	Karyn Kasperski, RBC Insurance Holdings Inc.
Treasurer:	Donald Hinnecke, RBC Insurance Holdings Inc.

With respect to the Board Vice-Chair position, Mr. Lobbezoo said that he was pleased to advise that there is a strong candidate from among the current Directors who is giving serious consideration to that opportunity and the commitment it involves; and that individual is currently seeking approval from his or her boss at the Member company involved, to take on the CAFII Board Vice-Chair role.

Mr. Lobbezoo added that the Association is confident that the candidate's requested internal approval will be secured imminently, such that the Board will be in a position to make the Board Vice-Chair appointment in the near future, either at the Board's next meeting in October; or perhaps earlier, *via Clause 5.14 of the CAFII Bylaw, Voting By Electronic Means Outside Of A Board Meeting*.

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the proposed slate of CAFII 2022-2023 Officers be appointed.

As a new Board Chair, Peter Thompson of National Bank Insurance, had just been appointed, at this time Mr. Lobbezoo handed off the Chair's role to Mr. Thompson, and Mr. Thompson chaired the remainder of the meeting.

Mr. Thompson thanked Mr. Lobbezoo for his superb and steady leadership as CAFII Board Chair over the past two years.

#### **Item 1(e): Welcome to New CAFII Treasurer: Donald Hinnecke, RBC Insurance**

Mr. Thompson noted that CAFII had also elected a new Treasurer, Donald Hinnecke from Royal Bank Insurance. Upon Mr. Thompson's invitation, Mr. Hinnecke briefly introduced himself to the CAFII Directors and other representatives in attendance.

#### **Item 2: Consent Items**

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. The consent items approved are as follows:

- a. Draft Board Meeting Minutes, April 12, 2022
- b. Summary of Board and EOC Action Items
- c. April 2022 Regulatory Update
- d. May 2022 Regulatory Update
- e. Consultations/Submissions Timetable
- f. Regulator and Policy-Maker Visit Plan
- g. Committee Reports Addressing CAFII Priorities
- h. Board-Approved Schedule of CAFII 2022 Meetings and Events

And further, **It Was RESOLVED** that the minutes of the meeting of the Board of Directors held April 12, 2022 be and are adopted in the form presented, and that copies of those minutes be signed and placed in the minute book of the Corporation.

#### **Item 3: Governance Matters**

##### **Item 3(a): Progress In Identifying A Fall 2022 Date For CAFII 25<sup>th</sup> Anniversary Celebration, When Insurance Regulators and Policy-Makers Will Be In Toronto**

Brendan Wycks reported that CAFII is attempting to find a date for its 25<sup>th</sup> Anniversary Celebration when insurance regulators and policy-makers from across Canada will be in Toronto and would therefore be more likely to attend a CAFII event on the evening in the middle of two days of regulatory meetings. It appeared possible that CCIR and CISRO may be meeting in Toronto on 20 and 21 October, 2022. CAFII was currently liaising with those organizations to co-ordinate a date that would allow maximum regulator and policy-maker participation in a CAFII 25<sup>th</sup> Anniversary Celebration event.

**Item 3(b): Plans to Hold In-Person CAFII 2022 Annual Members and Associates Luncheon On Tuesday, September 13/22 at St. James Cathedral Event Centre Venue, Toronto**

Brendan Wycks reported on current plans for an in-person CAFII 2022 Annual Members and Associates Luncheon, with the intention being to hold such the event at St. James Cathedral on 13 September, 2022.

**Item 3(c): Plans for Next CAFII Board Meeting on Tuesday, October 11/22: To Be Held In Quebec and Combined With A Liaison Lunch and/or “Industry Issues Dialogue” With AMF Staff Executives?**

Board members expressed strong support for the intention to hold the 11 October, 2022 Board meeting as an in-person and hybrid meeting in Quebec, in order to facilitate an opportunity for a liaison lunch and Industry Issues Dialogue session with relevant AMF staff executives.

**Item 4: Financial Management Matters**

**Item 4(a): CAFII Financial Statements as at April 30/22**

Outgoing Treasurer Tony Pergola highlighted from CAFII’s financial statements as at April 30, 2022, noting that the Association had revenues of \$332K, expenses of \$212K, for a surplus of \$120K, which is a positive variance to the budget of \$120K. The entirety of that variance was due to the timing of expenses.

On a motion duly made, seconded, and unanimously carried **IT WAS RESOLVED** that the CAFII Financial Statements as at April 30, 2022 be and are approved.

**Item 4(b): Forecast for CAFII 2022 Fiscal Year as at April 30/22**

Outgoing Treasurer Tony Pergola reported that the forecast for CAFII’s 2022 fiscal year as at April 30, 2022 was well-aligned with the Board-approved budget.

Peter Thompson noted that Mr. Pergola had just completed his final report to the Board, after five years of outstanding service as the Association’s Treasurer. He graciously thanked Mr. Pergola and acknowledged his exemplary contribution to the Association as its financial management and stewardship leader. Mr. Thompson indicated that the CAFII Board would miss Mr. Pergola’s professionalism, reliability, and sage advice.

**Item 4(c): Payment of 2022 Member First Instalment Dues Invoices; and 2022 Associate Dues Invoices**  
**Brendan Wycks provided an overview**

Brendan Wycks provided an update on the payment status of CAFII Member 2022 First Instalment Dues Invoices, along with the payment of 2022 Associate Dues Invoices.

**Item 5: Strategy Setting and Implementation; and Regulatory Matters**

**Item 5(a): Implementation of Board-Approved Next Steps Re Public Release of Results of Deloitte Canada Thought Leadership Paper on Digitization of CPI: (a) Webinars for Insurance Regulators and Policy-Makers; and Allied Industry Association and CAFII Associate Representatives; (b) Posting of Executive Summary of Research Results on CAFII Website; and (c) Media Release Based on Executive Summary of Research Results**  
Keith Martin reported that CAFII was executing on the direction from the Board to publicly release portions of the results of the Deloitte Canada Thought Leadership Paper on the Digitization of CPI. Two webinars had now been held, one with sister Associations, the other with regulators, policy-makers, and government officials, and the latter webinar was now posted on the website.

The research summary was being translated into French, and a more visually-pleasing graphic designed version was also being developed in both English and French, and those documents would also all be posted on the CAFII website. Following that, CAFII would issue a press release on the findings of the study.

**Item 5(b): Implementation of 2022 Operatic Agency Scope of Work Proposal Re CAFII Website and Search Engine Optimization Results Enhancements**

Keith Martin reported that CAFII and Operatic Agency were executing on the 2022 scope of work for the CAFII website, with one video on the Deloitte research study to be developed, along with ongoing work to enhance the website, add to its content, continue enhancing search engine optimization, and reworking the FAQs section. There have been many positive comments on the quality of the website and it continues to be a valuable asset for the Association.

**Item 5(c): Insights Gained from 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 reported that the most recent CAFII webinar, held May 3, 2022, had produced considerable regulator and policy-maker interest, with over 40 regulators and policy-makers registered for it, and over 14 from FSRA alone. FSRA had also reached out to CAFII requesting permission to use the webinar recording, which is posted on the CAFII website, for internal dissemination within FSRA.

**Item 5(d): Insights Gained from CAFII/CLHIA/THIA Biweekly Meetings Re Impact of COVID-19 On Travel and the Travel Insurance Industry**

Brendan Wycks provided an update on insights related to the impact of COVID-19 on travel and the travel insurance industry, which had been shared in CAFII’s periodic meetings with CLHIA and THIA on those matters.

**Item 5(e): Other Business**

Chair Peter Thompson invited Keith Martin to provide a special update under “Other Business.”

Keith Martin noted that he had attended, as CAFII’s representative, a meeting of the recently reconstituted FSRA Sectoral Advisory Committee on Life and Health Insurance, on 6 June, 2022.

At that meeting, FSRA made several presentations on their investigation of the MGA channel, and noted that they had uncovered three large MGAs that were engaged in activities that the regulator was very concerned about. One of those MGAs had 30,000 unlicensed recruits who were engaged in the selling process, including having to make pitches to friends and relatives. The top earners at some of those MGAs sold few or no life insurance policies, and instead made money from those who they had recruited into the organization. FSRA said that those MGAs engaged in “false and misleading training” as well as inappropriate selling, which led to “consumer harm.” Mr. Martin noted that in attendance at the 6 June, 2022 meeting was CLHIA’s Lyn Duhaime; and this issue might fit more under the CLHIA banner than CAFII’s.

**Item 6: Meeting Termination**

On a motion duly made, seconded, and unanimously carried **IT WAS RESOLVED** that the meeting be terminated at 3:50 p.m.