

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

Tuesday, July 18, 2023, 2:00-3:30 pm Virtual-Only Meeting

MINUTES

EOC Present

Rob Dobbins	Assurant and EOC Chair
Karyn Kasperski	RBC Insurance and Vice Chair
Donald Hinnecke	RBC Insurance and Treasurer
Jennifer Russell	Assurant
Martin Boyle	BMO Insurance
Tejal Harri-Morar	BMO Insurance
Catherine Latulippe	Canadian Tire Bank
Afzal Baig	Chubb Life Insurance Company of Canada
John Juba	Chubb Life Insurance Company of Canada
David Self	CIBC Insurance
Konstance Allain	CIBC Insurance
Lauren Ross	CIBC Insurance
Doug Weir	CIBC Insurance
Michelle Costello	CUMIS/The Co-operators
Cassandra Litniansky	CUMIS/The Co-operators
Carmelina Manno	Manulife Financial
Sharon Murrell-Foster	Manulife Financial
Janet Pacini-Thibodeau	Manulife Financial
Jonathan Poulin	National Bank Insurance
Fernando Heleno	RBC Insurance
Iman Muntazir	RBC Insurance
Shannon Dowe	RBC Insurance
Charles MacLean	RBC Insurance
Prithipal Rajasekaran	Scotia Insurance
Brad Kuiper	Scotia Insurance
John Burns	Securian Canada
Deliska Beauregard	Securian Canada
Fay Coleman	TD Insurance
Andrea Stuska	TD Insurance
Fergal Murphy	TD Insurance
Peter Thorn	TD Insurance
Jason Beauchamp	The Canada Life Assurance Company
Marco DeiCont	Valeyo

Guests:

Usman Abbas	The Canada Life Assurance Company
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Regrets:

Farhad Eslah	Canadian Tire Bank
Cynthia Golubic	Canadian Tire Bank
Almas Satwat	CUMIS/The Co-operators
Diane Quigley	CUMIS/The Co-operators
Jawid Kargger	CUMIS/The Co-operators

Isabelle Choquette	Desjardins Insurance
Nathalie Baron	Desjardins Insurance
Pierre-Olivier Cyr	Desjardins Insurance
Suzie Blanchard	Manulife Financial
Katia Umutoniwase	Manulife Financial
Ivan Murray	National Bank Insurance
Stacey Hughes-Brooks	RBC Insurance
Alfonso Movilla	Scotia Insurance
Sean Kradjian	Scotia Insurance
Asma Desai	Securian Canada
Moiria Gill	TD Insurance
Catherine Laspina	The Canada Life Assurance Company
Dallas Ewen	The Canada Life Assurance Company
Jacqlyn Marcus	Valeyo

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

Item 1 (a): Call to Order

The meeting was chaired by EOC Chair Rob Dobbins, who called the meeting to order.

Item 2: Consent Items

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

- CAFII 2023 Western Canada Insurance Regulators and Policy-Makers Visits Tour: Meeting Summaries and Insights Highlights
- Consultations/Submissions Timetable
- June/July 2023 Regulatory Update
- Regulator and Policy-Maker Visit Plan Recap
- Summary of Board and EOC Action Items
- Board-Approved Schedule of CAFII 2023 Meetings and Events

Item 3: Financial Management Matters

Item 3 (a): CAFII Financial Statements as at June 20/23

CAFII Treasurer Donald Hinnecke provided an update on CAFII's financial position as at June 30, 2023, noting that the Association was in a strong cash position, and was on budget without any unexpected significant variances so far this year. Some anticipated expenses from the regulatory tours were now being reimbursed. The Association has invested surplus cash in a GIC given the improved interest rates being offered, to generate some additional interest income.

Item 3 (b): Forecast for CAFII 2023 Fiscal Year as at June 30/23

Treasurer Donald Hinneke projected that CAFII would end the 2023 fiscal year with a favourable variance in revenue, due to the purchase of some GIC investments and a resulting increase in interest income, but that its financial reserves as a percentage of annual operating expenses would decline from the current 63% but still end the 2023 fiscal year within the 25% to 50% range which the Association targets.

Item 4: Committee and Working Group Updates

Item 4 (a): Diversity, Equity and Inclusion

i. Outcomes of July 10/23 Meeting of CAFII Diversity, Equity and Inclusion Working Group

Diversity Working Group Chair Tejal Harri-Morar reported that recent meetings of the Working Group have focused on the objectives of the group, how to measure success, and ways to move the group forward, which is currently focused on reviewing available research on best practices around diversity, equity, and inclusion.

Item 4 (b): Marketing Conduct & Licensing

i. Insurer Proprietary/Competitive Issue Identified Re Complying with Section 45(1) of FCNB's Rule INS-001 Re RIR Licensee Disclosure of Compensation/Inducement/Benefit Received from Insurer That Exceeds 30% of Premium To Be Paid By Consumer; and Proposed Next Steps

FCNB Rule INS-001 includes a requirement that consumers who are sold insurance by a Restricted Insurance Representative (RIR) licensee be informed of the percentage of the premium they pay that goes to a distributor when that percentage is more than 30% of the premium. In Quebec, only when more than 30% of the premium is paid to a distributor as commission does that fact need to be shared with the consumer, which is a better approach because revealing the actual percentage is competitively-sensitive information.

EOC members discussed whether this issue is core to CAFII, and there was a decision to ask the Market Conduct & Licensing what approach it recommended for any dialogue with FCNB on this issue.

Item 4 (c): Media Advocacy

i. Outcomes of June 26/23 Media Advocacy Committee Meeting

Keith Martin provided an update on annual improvements to the CAFII website. A proposal has been received from Operatic Agency for a re-build of the back-end of the CAFII website (the CAFII intranet). The preference is to proceed with this project in 2024, but the EOC was advised that if the back-end goes down again, it may be necessary to move forward with the re-build project earlier.

Mr. Martin also reported that the CAFII LinkedIn page continues to gain more followers.

Item 4 (d): Quebec/AMF Issues

i. Insights Gained from Recent CAFII Discussions with CLHIA Re Quebec's "Bill C-30: An Act to amend various provisions mainly with respect to the financial sector" Clause 106 Which Bans Single Premiums For Multi-Year Insurance Contracts

It was noted that CLHIA, like CAFII, was monitoring the provision of Quebec's Bill C-30 that prohibits single premiums for multi-year contracts, but that no specific action was planned on this by CLHIA.

ii. Agenda Highlights for July 19/23 CAFII Quebec/AMF Issues Committee Meeting

Quebec/AMF Issues Committee Chair Jennifer Russell reported that the committee continues to actively review initiatives in Quebec, including the complaints and dispute resolution regulation which the AMF is expected to publish imminently, and Quebec's Charter of the French Language.

Item 4 (e): Research & Education

i. Outcomes of Recent Research & Education Committee Meetings, Including Identification of Proposed CAFII 2023 Research Project

Research & Education Committee Chair Andrea Stuska reported that the Committee has identified a research project to propose, on whether less wealthy mortgage holders have less term insurance than wealthier mortgage holders, and are therefore more reliant on credit protection insurance to protect them against life events. The Committee is going to review the research proposal from LIMRA, and make a recommendation to the EOC.

ii. Outcomes of Recent CAFII Virtual Meetings with Brent Lemanski, AVP and Executive Director, LIMRA/LOMA Canada and Colleagues Re Possible CAFII-Commissioned Research

Keith Martin reported that a successful meeting was recently held with LIMRA's Canadian representative Brent Lemanski on a possible research project with LIMRA (see 4ei).

iii. Arranging Opportunities to Present CAFII's Current Research Results-Focused Powerpoint Deck to FSRA and AMF Regulator Audiences

CAFII's presentation to Western Canada insurance regulators and policy-makers was very well received. It was agreed that CAFII should reach out to the AMF and FSRA and offer to make the same presentation to each of those regulators as well. For the AMF, it was suggested that CAFII say that it prefers to make the presentation in English so that non-French speaking members could participate; but that given current circumstances in Quebec, the offer of a French presentation should also be extended. The AMF will also be invited to choose whether they would like Keith Martin to make the presentation in-person in Quebec, virtually, or both.

Item 4 (f): Networking & Events

i. Plans for September 26/23 CAFII Webinar with Stuart Wilkinson, Director, Consumer Office, FSRA

Keith Martin reported that plans are well-advanced for a 26 September, 2023 webinar with Stuart Wilkinson, Director, Consumer Office, FSRA. Mr. Wilkinson will initially be joined by FSRA Executive Vice President Glen Padassery, who will share his vision for the FSRA Consumer Office.

ii. Plans for October 2023 CAFII Webinar on "Words Matter" Featuring Expert Perspectives/Advice on Inclusive language

Keith Martin reported that CAFII intends to hold an October 2023 webinar on the impact of words and communication in the workplace.

Item 4 (g): Travel Insurance Experts

i. Insights Gained from Recent CAFII/CLHIA/THIA Meetings On Regulatory Issues

Brendan Wycks provided an overview of the major insights from recent meetings of CAFII, CLHIA, and THIA on travel insurance issues and other industry Association issues.

Item 5: Recent and Upcoming Strategic and Regulatory Initiatives

Item 5 (a): Insights Gained from July 4/23 Quarterly Virtual Meeting Between CAFII Board Chair Peter Thompson and AMF Superintendent, Client Services and Distribution Oversight Eric Jacob

Keith Martin reported that the quarterly meetings between CAFII Board Chair Peter Thompson and AMF Superintendent Éric Jacob continue to be very productive, with a current focus on asking the AMF to consider extending the 1 January, 2025 deadline for cancelling in-force spousal insurance policies.

Item 5 (b): Insights Gained from Recent CAFII Correspondence Exchange with Louise Gauthier, AMF on Its Definition of Complaints and Related Complaints Handling Regime

Keith Martin reported that AMF Director Louise Gauthier had recently advised that the AMF had found its interactions and dialogue with CAFII around the AMF's Regulation respecting complaints handling and dispute resolution to be very productive and helpful.

Item 5 (c): Adjusted Schedule and Outreach for Meeting Confirmations for CAFII Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour in Late September and Early October 2023

Brendan Wycks provided an overview of the adjustments being made to the schedule for the upcoming Atlantic Canada insurance regulators and policy-makers visits tour.

Item 6: Governance Matters

Item 6 (a): Confirmation or Cancellation of Tentative August 15/23 EOC Virtual-Only Meeting

The EOC decided to cancel the tentatively scheduled August 15, 2023 EOC meeting and resume the regular schedule of meetings in September 2023.

Item 6 (b): Implementation of Board-Approved 'New CAFII Management Structure' (Post-2023)

Keith Martin provided an overview of the process for recruiting two new CAFII staff members, noting that over 2000 people had applied for each of the two positions (Research Analyst, and Operations Manager).

Item 6 (c): Draft Minutes of June 6/23 Board Meeting

The EOC endorsed the minutes of the June 6, 2023 CAFII Board meeting, for presentation to the Board for approval at its own next meeting.

Item 6(d): Draft Minutes of June 27/23 EOC Meeting

The EOC approved the draft minutes of the June 27, 2023 EOC meeting.