

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

Thursday, September 19, 2024, 3:00-5:30 pm

Minutes

In-Person and Virtual Meeting

Virtually

Karyn Kasperski	RBC Insurance and Chair
John Burns	Securian Canada and Vice Chair
Donald Hinnecke	RBC Insurance and Treasurer
Rob Dobbins	Assurant Canada
Jennifer Russell	Assurant Canada
Martin Boyle	BMO Insurance
William Oyetakin	BMO Insurance
Rebecca Saburi	BMO Insurance
David Parkatti	Canadian Western Bank
David Self	CIBC Insurance
Kevin Szweras	CIBC Insurance
Lauren Ross	CIBC Insurance
Michelle Costello	CUMIS/The Co-operators
Deidre Kennedy	CUMIS/The Co-operators
Isabelle Choquette	Desjardins Insurance
Sharon Murrell-Foster	Manulife Financial
Janet Pacini-Thibodeau	Manulife Financial
Archie Sachdeva	Manulife Financial
Shannon Dowe	RBC Insurance
Charles MacLean	RBC Insurance
Brad Kuiper	Scotia Insurance
Alfonso Movilla	Scotia Insurance
Prithipal Rajasekaran	Scotia Insurance
Asma Desai	Securian Canada
Peter Thorn	TD Insurance
Andrea Stuska	TD Insurance
Shahnoor Khimjee	TD Insurance
Jason Beauchamp	The Canada Life Assurance Company
Dallas Ewen	The Canada Life Assurance Company

Regrets:

Catherine Latulippe	Canadian Tire Bank
Cynthia Golubic	Canadian Tire Bank
Afzal Baig	Chubb Life Insurance Company of Canada
John Juba	Chubb Life Insurance Company of Canada
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
Suzie Blanchard	Manulife Financial
Ivan Murray	National Bank Insurance
Jonathan Poulin	National Bank Insurance
Fernando Heleno	RBC Insurance
Stacey Hughes-Brooks	RBC Insurance
Sushil Masih	RBC Insurance
Mais El-Magraby	Scotia Insurance
Sean Kradjian	Scotia Insurance
Jacqlyn Marcus	Securian Canada
Marco DeiCont	Securian Canada
Fay Coleman	TD Insurance
Catherine Laspina	The Canada Life Assurance Company

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 1 (b): Land Acknowledgement

EOC Member Rebecca Saburi from BMO Insurance, which was the host for the meeting, shared a land acknowledgment for the meeting.

Item 2: Consent Items

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

- Consultations/Submissions Timetable
- June/July-August 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 August 31/24

CAFII Treasurer Donald Hinnecke provided an update on CAFII's financial statements as at August 31/24. Member associate revenue dues are higher than anticipated due to the addition of a new initiation member and one net new Associate. Short-term investment income continues to trend better than

planned; this trend will likely begin to decrease in the coming months as interest rates decline. Association expenses remain as planned, with a one-time transitional expense related to staffing. There will be some catch-up for contributions related to employee RRSP contributions (year-to-date catch-up). There is one payment that has now been made for the annual research project. A budget was allocated for the CAFII website, which has not yet been spent. In July, a bank deposited 450K into the CAFII bank account that does not belong to the Association, and we are attempting to resolve this error. CAFII's bank balance remains approximately \$600K. Overall, the Association's financial situation is excellent.

[Action Item: CAFII will contact the EOC member from the Depositing Bank of the erroneous deposit to help resolve the issue; K. Martin, 2024].

Item 3 (b): CAFII Forecast as at August 31/24

CAFII Treasurer Donald Hinnecke provided an update on the Association forecast as at August 31/24. With the calendar year moving forward, the forecasts in future months should be more accurate and closer to the year-end actuals. For 2025, CAFII will be more conservative around projected investment income as interest rates are expected to decline. CAFII will likely have a deficit in 2024 that is much lower than was originally budgeted due to higher revenues and lower expenses, and the Association is expected to conclude the year with an operating ratio that remains above 50%.

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

CAFII Executive Director Keith Martin updated the EOC on CAFII's critical path for the 2025 operating budget, which has been included in the package. CAFII is starting discussions on the operating budget early this year with the intention of presenting it to the EOC for feedback and then presenting it to the Board for approval in December.

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 updated the EOC on the federal Department of Finance's proposed amendment to the criminal code to include insurance costs in the calculation of interest. Due to the concerning nature of this announcement, CAFII recently made a submission to the Department on September 11/24. It appears that the Department is flexible about these amendments, and the department, in a meeting with the Canadian Bankers Association (CBA), indicated that the amendment did not intend to capture the products of CAFII members. CAFII Executive Director Keith Martin informed the EOC that CAFII worked closely with the CLHIA as well as the CBA in its development of a draft response. While CAFII waits for a response from the Department, CAFII will keep a close eye on this file. EOC Chair Karyn Kasperski added that the Department clearly wasn't aware of the potential implications of these amendments. What they are trying to address is predatory lending, but this may not be the best way to fix that issue. CAFII will be going to Ottawa at some point to speak with the FCAC, and K. Martin suggested that at that time, CAFII should also meet with the Department of Finance. EOC Member Rob Dobbins expressed concern over the precedence of the Department of Finance consulting with industry over a very short period of 30 days.

[Action Item: K. Martin to follow up with the Department of Finance around a meeting on this issue; K. Martin, 2024].

Item 4 (b): Quebec Committee

i. DISCUSS: Hybrid Approach to Committee – Full Committee for Updates, Subset of Committee to Engage in Deep Dives

Chair of the Quebec Committee Jennifer Russell updated the EOC on the discussion around a hybrid approach to the Committee. The suggestion was that the Committee itself could be focused on updates, while substantive discussion around specific initiatives could be addressed by a sub-group of the full Committee. K. Martin mentioned that, though participation by Committee members can sometimes be limited, actual attendance by Committee members is very high. In terms of the next steps, the Committee will continue to meet and will explore developing specific sub-committee groups as necessary.

Item 4 (c): Media Advocacy

i. CAFII 2024 Website Investments – SEO, Videos, Backend Rebuild

CAFII Executive Director Keith Martin updated the EOC on CAFII's 2024 website investments. He noted that the consolidated package includes the RFP CAFII released earlier this year. There was a special allocation in the 2024 operating budget to rebuild the backend completely, which the RFP made reference to. The RFP responses were over budget, so with the assistance of Media Advocacy Chair J. Marcus, CAFII identified some vendors who were approached for the required builds with a specific budget allocation, and they were able to provide satisfactory quotes. K. Martin's recommendation is to proceed with these two proposals (included in the package). For the website rebuild, the quote was just under \$40K, the SEO company proposal was for approximately \$14K, and the video quote is about \$25K, which is for the development of two videos in the coming year on the LIMRA research.

The EOC approved the recommended quotes.

[Action Item: Sign the contracts with the website investment (SEO, Videos, Backend Rebuild) companies]; K. Martin, 2024].

ii. CAFII Media Plan

CAFII's Media Consultant, Wendy Bairos, updated the EOC on CAFII's media plan. The proposed media plan aims to increase online foot traffic through SEO and engage with mainstream media while keeping mindful of CAFII's risk-averse nature around media. A component of the media plan includes a byline article/Op-Ed article, which has been drafted and included in the package for review. With the byline article, CAFII can control the narrative more effectively than would be the case through interviews. The focus of the proposed article is on the LIMRA research. The media plan also includes a list of topics for future CAFII blog posts. If approved, this list will act as a topic pipeline to speed up the creation and posting of blogs. W. Bairos has written a draft article for the National Post and four additional blog posts, all of which she is requesting approval of. It was agreed that, in addition to the four blog posts already written, all future blog posts will be sent to the EOC Chair and Vice-Chair for review and approval before posting.

While the possibility of sponsored content was discussed, this option is not planned to be utilized in the short term. It will remain an option in the media plan, but for now, CAFII will continue with unsponsored media engagements.

The EOC endorsed the media plan and the National Post article and approved the blog posts.

iii. CAFII 2024 Blog Posts, Article for National Post

Thess items were discussed above and received approval and endorsement.

iv. CAFII 2024 Video Scripts (LIMRA Research)

CAFII Executive Director Keith Martin updated the EOC on CAFII's 2024 video scripts, which focus on CAFII's 2023 LIMRA research. Now that the quote has been approved by the EOC (KeyWest Videos), the videos can be developed. If EOC members do have comments on the storyboard, K. Martin asked that they be submitted within the next week.

The EOC approved the CAFII 2024 Video Scripts (LIMRA Research).

Item 4 (d): Research & Education

i. CAFII Research with Deloitte on Technology Trends and AI

Research & Education Committee Chair Andrea Stuska updated the EOC on the CAFII research on technology trends and AI with Deloitte. In late August, Deloitte circulated a question package to CAFII members, and interviews were set up on these. The current intention is that the information Deloitte receives from initial interviews will be supplemented by a written survey. When the draft report is complete, it will be shared with CAFII's research committee, the EOC, and finally, the Board. The outputs will be an executive summary, including a PowerPoint presentation, and a written report. CAFII will also organize a webinar to present the findings.

Item 4 (e): Networking & Events

i. Fall 2024 Webinars

CAFII Executive Director Keith Martin updated the EOC on the state of CAFII's Fall 2024 webinars. A successful and well-attended webinar with the four Atlantic regulators was just conducted. K. Martin reiterated the importance and usefulness of the webinars—they are informative and facilitate relationship-building with regulators. CAFII has another webinar coming up in October on open banking.

Item 5: Strategic and Regulatory Initiatives

Item 5 (a): Executive Director September 17-18, 2024, Meetings with Regulators in Alberta, British Columbia

CAFII Executive Director Keith Martin informed the EOC of his meeting with several regulators from Alberta and British Columbia on September 17 and 18, 2024. K. Martin was invited to participate on an industry panel alongside CLHIA, Advocis, and CAILBA with the Insurance Council of BC in Richmond, BC. In conjunction with that visit out west, K. Martin also met with the new Superintendent of Insurance in Alberta, Chris Merriman, and the new CEO of the Alberta Insurance Council, Amina Deiab, along with two members of her staff. The meetings were cordial and productive, and both regulators were very engaged and interested in CAFII's priorities and key messages.

Item 5 (b): CAFII Plans for October 8, 2024, Liaison Lunch and Industry Issues Dialogue with AMF in Montreal

CAFII Executive Director Keith Martin updated the EOC on the upcoming October 8/24 liaison lunch and industry issues dialogue meeting with the AMF. The AMF has invited six of its members, including Natalie Sirois, Hugo Lacroix, Mario Beaudoin, and Véronique Martel. K. Martin will share CAFII's proposed presentation with the AMF and the EOC for feedback. That presentation will summarize the key conversations that took place last year with the AMF. The meeting with the AMF will be followed by a regular Board meeting.

[Action Item: Circulate to the EOC the plans for a change of location for the October 8/24 Board of Directors meeting; T. Woodland, September 2024].

Item 5 (c): FCAC Relationship and Possible Visit

DISCUSS: Should We Visit the FCAC Late in 2024 or Early in 2025?

CAFII Executive Director Keith Martin updated the EOC on CAFII's relationship with the FCAC and a possible visit with it in Ottawa. The FCAC informed K. Martin that they had withdrawn their intention to expand their complaint regime for banks to include insurance companies. CAFII wanted to avoid a meeting until this issue was resolved, and now that it has been settled, CAFII can reconsider a visit to the FCAC. However, it was noted that the FCAC still has an interim Commissioner and that it might be better to wait until a permanent Commissioner is named before visiting the FCAC. It was also suggested that if CAFII does visit the FCAC in Ottawa, a meeting also be arranged with the federal Department of Finance.

Item 6: Governance Matters

Item 6 (a): Update on Hiring Operations Manager

K. Martin updated the EOC on hiring a new operations manager. Currently, CAFII has not found someone adequate to occupy the role. While filling this vacant position is taking longer than expected, the search continues, and the intention is to find an appropriate candidate as soon as possible.

Item 6 (b): Proposal to Rescind Policy Around Reimbursement of Regulatory Tour Expenses, Reception Expenses

CAFII's Executive Director, Keith Martin, updated the EOC on the proposal to rescind the policy regarding the reimbursement of regulatory tour and reception expenses. He explained the policy and noted that, with few exceptions, members have not used it, and it was recommended that it be rescinded.

EOC endorsed the rescindment of the policy around reimbursement of regulatory tour expenses and reception expenses. This rescindment will be presented to the Board for approval at the October 2024 Board Meeting.

Item 6 (c): CAFII Strategic Plan

DISCUSS: What Feedback Does the EOC Have on the Strategic Plan?

CAFII's Executive Director, Keith Martin, updated the EOC on CAFII's strategic plan, which has been included in the consolidated package and updated to reflect all feedback received from the EOC. The strategic plan speaks to CAFII's mandate and priorities and provides direction around where CAFII focuses its activities. An emphasis on credit protection insurance is central to the plan, but CAFII can

also focus on other areas like travel insurance if that is the desire of the membership. CAFII will continue to engage in regulatory and policy-maker written submissions as a core function while also taking a proactive approach to regulators through regulatory tours, meetings, and other ways to influence regulators. Research remains a key focus and central pillar of the strategic plan that provides material for CAFII's website, key messages with regulators and policy-makers, and content for media outreach. Several EOC members suggested some minor wording edits, which K. Martin will incorporate after the meeting.

EOC endorsed the CAFII Strategic Plan, which will be presented to the Board for approval.

[Action Item: Edit the strategic plan to reflect feedback received during the September 19/24 EOC meeting for presentation at the October 8/24 Board meeting; K. Martin, September 2024].

Item 6 (d): Feedback from One-on-One EOC and CAFII Dialogue and Q&A Sessions with Robyn Jennings
Due to time constraints, this item will be addressed at the October 29/24 EOC Meeting.