



November 15, 2012

Ms. Carolyn Rogers,
Chair, Canadian Council of Insurance Regulators
5160 Yonge Street, Box 85
Toronto ON M2N 6L9

Dear Carolyn:

I am writing to thank you and the members of the CCIR Executive for making time in your busy schedule on October 25 to meet with David Minor (TD Insurance), Rick Lancaster (CIBC Insurance), Julie Barker-Merz (BMO Insurance), Brendan Wycks (CAFII Executive Director) and myself (RBC Insurance), as representatives of the Canadian Association of Financial Institutions in Insurance.

We greatly appreciated the opportunity to meet face-to-face to foster an open dialogue on shared priorities and strengthening the insurance industry. We would welcome continued opportunities in the future, formal or informal to further develop communication.

We were pleased to receive the positive feedback from CCIR members on our first CAFII webinar on September 14, on the topic of "The Under-Served Market." As discussed, we will continue to work with Carol on developing the 4 topics of the future webinar series and noted that you would find particular value in the webinar on "E-Commerce."

With respect to the regulatory and legislative issues we discussed in the meeting, several provinces have made or are planning to make major revisions to their Insurance Acts. CAFII members have appreciated the open consultative approach that has typically been used for provincial reviews. When provinces are finalizing new regulations, we request that lead time of 12 to 18 months be provided to facilitate CAFII members' implementation of changes. These changes inevitably become major projects within our member organizations and it takes time to ensure that necessary systems changes are made, forms revised, staff trained, and consumers notified of how the changes affect them.

CAFII was pleased to learn from our meeting that:

- CCIR supports Alberta's and B.C.'s lead in allowing electronic beneficiary designations for policies. CAFII strongly supports this direction; and
- CCIR supports the Canadian Insurance Services Regulatory Organisations (CISRO) in its mandate and initiatives related to developing a system for harmonized, inter-jurisdictional licensing of insurance advisors. This is an important issue for our members who have client contact centre staff who must be licensed in multiple jurisdictions. A nationally harmonized

licensing regime would create much-needed flexibility for our members, and lead to productivity gains through better allocation of scarce resources and reduced costs.

- We also understand that CCIR is focussed on the International Association of Insurance Supervisors' Financial Sector Assessment Program (FSAP), covering compliance in Canada with international standards and insurance core principles (ICPs). We understand the increasing onus being placed upon insurance providers and regulators to ensure adherence with ICPs around "Treat the Customer Fairly," including the sections on compensation/commission disclosure. CAFII would be pleased to assist CCIR in any way with this work and will look for possible speaker topics around this for our webinars, web site and receptions.

Finally, as discussed in the meeting, CAFII will be celebrating its 15th anniversary in 2013, and we will align our Anniversary event to the evening of April 10, 2013, just prior to your spring CCIR meeting in Toronto, so that we can invite all of your CCIR members who are in town. We'll be back in touch with CCIR in early 2013 to discuss the event details.

Once again, thank you for your time and discussion. Feel free to contact me directly if you have any questions or need any further information in the future. Also, effective December 3, 2012, any member or representative of the CCIR may also feel free to contact Brendan Wycks, our new Executive Director, at brendan.wycks@cafii.com or at 647-218-8243.

Best regards,



Cathy Honor

Chair CAFII

c.c. Carol Shevlin, Policy Manager, CCIR