

CAFII Priorities by Committee – September 23, 2013

Executive Operations Committee

Membership: As per CAFII Bylaw 6.01. Sub-committees may strike taskforces drawing on expertise of other individuals associated with member companies.

| Mandate | Activities | Issues of Interest |
|---|--|--|
| Recommend budget and priorities to Board | Draft and review Financial Reports | |
| Keep environment open to key products | Be aware of current and emerging issues (Regulatory Update). | |
| | Develop responses to regulatory initiatives. Forward to board for approval as necessary. Oversight of Distribution and Market Conduct Policy Committee (DMC) | Regulation of ISI |
| | | International regulation of creditor products |
| | | Market Conduct Regulation |
| | | Electronic Commerce |
| | | Provincial Insurance Act Reviews |
| | | Quebec Distribution Guide |
| Keep environment flexible /efficient | Identify barriers to efficient operations. Oversight of Licensing Efficiency Issues Committee (LEIC) | Licensing Irritants |
| | | Provincial Insurance Councils and CISRO issues, including LLQP |
| | | Electronic licensing |
| | | Multi-jurisdictional licensing/mutual recognition |
| Develop communication plans and tools | Oversight of Media and Advocacy Strategy Committee(MAC) | Communications strategy, CAFII Branding Advocacy Strategy Website |
| Build relationships with key stakeholders | Connect with regulators. Manage and conduct regulator visits. (Manage Regulator Visit Plan) Approve attendees at regulator meetings, review meeting notes and manage follow-up actions | |
| | Oversight of Networking and Events committee | |
| Other items | Continuance under new Canada Not for Profit Corporations Act (CNCA) | Articles of Continuance to be filed by October 26, 2014 |
| | Changes to CAFII Management structure – development of Executive Director role | Executive Director hired effective December 2012; oversight of establishment of ED's role, its evolution and effectiveness |

Distribution and Market Conduct Policy Committee

Membership: The committee will have 4 permanent members including 2 co-chairs all of whom are members of the EOC.

Co-Chairs: 1) Sue Manson CIBC 2) ? **Other members:** 3) Emily Brown BMO 4) John Poolman, Assurant

5) Andre Duval, DSF 6) Rose Beckford Scotiabank Financial **Mandate:** Oversee development of CAFII policy positions as directed by EOC. Oversee taskforces as required. Activities: Draft CAFII submissions, Manage and interpret industry research projects as approved by EOC

| Item | Description | Activities Completed/Industry Developments | Status/Next Steps |
|---|--|--|--|
| Regulation of ISI | Quebec <ul style="list-style-type: none"> DWR (review of Insurance Act) | <ul style="list-style-type: none"> CAFII members met with Eric Stevenson November 15, 2012 and with AMF staff executives on June 7, 2013 Insurance Act Overhaul/Re-write formally announced by Quebec Government on April 30, 2013 | <ul style="list-style-type: none"> Active |
| | Quebec <ul style="list-style-type: none"> Review of Distribution Guide | <ul style="list-style-type: none"> CAFII input provided on Guide (e.g. signature, remuneration) through letter sent to AMF June 2012, meeting with Eric Stevenson on November 15, 2012 and follow-up letter sent to AMF Dec 2012 | <ul style="list-style-type: none"> Active EOC involvement and oversight Met with AMF in Quebec City on June 7, 2013 DMC proposes information session |
| International Regulation of Creditor Insurance | PPI IAIS Core Principles | <ul style="list-style-type: none"> Brendan reported on US and UK developments CAFII Project | <ul style="list-style-type: none"> Active/Monitor ongoing Board approval received on June 11 to secure draft communication of project outcomes Post Implementation Review |
| | | <ul style="list-style-type: none"> Subcommittee working on matrix of impact of Insurance Core Principles (ICPs) and international regulations | <ul style="list-style-type: none"> EOC Input obtained Active |
| Industry Complaint Statistics | | <ul style="list-style-type: none"> Subcommittee working on compilation of Industry Complaint Statistics | <ul style="list-style-type: none"> EOC Input obtained DMC Subctte met on June 4 and 25, 2013 |
| Consultations | FSCO life insurance product suitability review | <ul style="list-style-type: none"> FSCO has held consultation meetings with CAFII on this initiative in July and September 2013 | <ul style="list-style-type: none"> Having provided significant input through two meetings, CAFII will be consulted on final draft of survey of life agents, and on final report from Suitability Review |

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| Item | Description | Activities Completed/Industry Developments | Status/Next Steps |
|-----------------------------|--|---|---|
| | E-commerce | <ul style="list-style-type: none"> CCIR and AMF – upcoming consultations | <ul style="list-style-type: none"> Active with Release of CCIR E-Commerce Position Paper on May 23, 2013 CAFII submitted detailed response to CCIR E-Commerce Position Paper in July 2013 |
| | Provincial Insurance Acts | <ul style="list-style-type: none"> Manitoba | <ul style="list-style-type: none"> Draft ISI Regulations released on June 3, 2013; Licensing Committee to deal with this matter. CAFII submitted detailed response to Draft ISI Regulations in July 2013 |
| | | <ul style="list-style-type: none"> Saskatchewan | <ul style="list-style-type: none"> Watch |
| | | <ul style="list-style-type: none"> Ontario | <ul style="list-style-type: none"> Watch |
| Avalon Report Update | Survey members companies, update analysis and research | <ul style="list-style-type: none"> Comparison of creditor insurance on mortgages with term life and individual disability insurance: pricing, approval rates, claim approval rates, etc. | <ul style="list-style-type: none"> Active Last conducted in late 2009/early 2010 on 2008 data DMC secured Board approval for refresh of this study, using 2013 data; to be conducted in late 2013 and first quarter of 2014. Avalon proposal and draft survey brought to EOC at September 24, 2013 meeting |

AMF Distribution Guide Task Force

(Task Force of Distribution and Market Conduct Policy Committee)

Members: Emily Brown, John Poolman, Rose Beckford, Moira Gill, Sue Manson

Purpose: Recommend changes to the AMF Distribution Guide based on the Mutual Fund Guide, customized for exclusion disclosure

Licensing Efficiency Issues Committee

Membership – 1 Chair who is a member of EOC and 3 members from representative companies.

Chair: Moira Gill TD 2) John O’Hoski Cdn Premier 3)Sara Gelgor , ScotiaLife Financial 4) John Poolman, Assurant 5)Greg Grant CIBC

Mandate: Identify and manage licensing efficiency issues for restricted and individual licensing processes.

| Priorities | Issues | Currently active issues | Status |
|--|--|-------------------------|--|
| Licensing operation issues Streamlining and harmonizing licensing requirements (training, CE, other) | Request for restricted certificates for 3 rd parties Alberta | v | CAFII letter to the Council (2011). Council responded that they did not support the request. Committee decision to address the issue with the Council again in <u>year ?</u> |
| | CISRO project to redesign LLQP – project completion target Sept 2014 | | Quarterly Stakeholder Information Sessions being held by CISRO, incl. January 17/13 and April 9, 2013. Next Session to be held on October 30, 2013. |
| | Licensing process -streamlining and harmonization | | Identification of issues ongoing |
| ISI regime implementation | Manitoba – issues to be resolved with implementing regulations | | Included in Insurance Act Spring 2012 Letter sent in August 2012 -CAFII response to draft ISI Regulations sent in early July 2013. May require more detailed follow-up submission and a visit by a CAFII rep(s) to Jim Scalena, Superintendent of Insurance, in Winnipeg |
| Provincial Insurance Councils and CISRO issues | Opportunities to have restricted licensees represented or otherwise participate on Council discussed with Saskatchewan and Alberta. Committee identified a need for an analysis of options for BC, Alberta & Saskatchewan. Council representation needed | v | Legal assistance engaged and analysis of options underway. Meeting with AIC Jan 2012. Meeting with Sask. held Meeting with Manitoba held |
| Electronic licensing | Promote use of electronic licensing systems by provincial regulators; possible use of “business numbers” to link | | Letter of support sent to CISRO May 2012 |
| Multi-jurisdictional licensing/ mutual recognition | Trade Agreements - promote mutual recognition (Ontario – Quebec, New West Partnership) | | Attended trade agreement update meeting May 2012 |

Media and Advocacy Strategy Committee

Membership: The committee will have 4 permanent members including 2 co-chairs, all of whom are members of EOC. EOC chair is co-chair.

Co-Chairs: 1) Sara Gelgor 2) John Lewsen

Members: 3) Paul Yeung, 4) Moira Gill 5) Greg Grant

Resources: Leya Duigu, Brendan Wycks

Mandate: Identify key stakeholders and develop, recommend and implement communication and advocacy strategy. Oversee CAFII branding. Oversight of Media Response taskforce.

Areas of Interest: Underserved Market: Creditor Insurance (value proposition, disclosure); Counter broker lobby messages

| Initiatives | Status/Explanation | Resp | Next steps |
|--|---|-------------------------------------|--|
| -Develop a Communications Strategy | <p>-Update Communications Strategy: CAFII-branded “Regulatory Value Added Strategy” for website and regulator communication. Most materials exist but materials should be reviewed and recommendations made as to how to package and brand materials. Include concept of sending targeted messages to regulators when an issue is in the media.</p> <p>-bring strategy up to date, should be a refresher at every board meeting</p> | ED | <p>-Draft External Communications Strategy prepared by B. Wycks and reviewed with MAC on September 19, 2013. Feedback received, but still to be incorporated. Highlights presentation to be shared with EOC on September 24, 2013, and revised Executive Summary of Strategy document – reflecting MAC and EOC feedback and including some Communications Tactics examples included -- to be prepared for Board review and approval on October 8, 2013</p> |
| <p><u>Website</u></p> <p>-collect testimonials, post on site</p> <p>-Refresh CAFII mission statement</p> <p>-expand tabs to include other products & regulators/industry</p> | <p>-Testimonial (written or video)- 1 per member , have 7 or 8 available and determine how to rotate through (value –add to members)</p> <p>-review mission statement to ensure it is in line with branding,</p> <p>-incorporate alternate distribution (underserved market)</p> | <p>J Lewsen</p> <p>ED</p> <p>ED</p> | <p>-Email reminder sent w/o Oct 22, 2012; One written and two video testimonials received to date. B. Wycks to follow-up with direct request to each Voting Member, via EOC members</p> <p>-Removed from MAC Priorities, as Mission Statement is solely within Board purview and typically is reviewed as part of Strategic Plan renewal. J. Hines and B. Wycks to discuss with Chair M. Cummings</p> <p>-Underserved market material drafted, to be approved for website. In process with ED B. Wycks</p> |

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| Initiatives | Status/Explanation | Resp | Next steps |
|---|--|----------|---|
| | - Travel insurance product – ED to reach out to travel association and CLHIA; look at it from distribution perspective | ED | B. Wycks met with CLHIA Execs. on April 1 and June 3; had get acquainted discussion with John Thain, volunteer President of Travel Health Insurance Association, who works for Assurant Solutions, at CAFII 15 th Anniversary event. Will have a full meeting with Thain in Fall 2013. |
| -Develop CAFII “Did you know” video to convey important facts | -(Charles Blaquiere suggestion) Budget allocation request \$10,000 | ED | -In process as part of CAFII Re-Branding and Visual Identity Modernization initiative |
| -what’s new | -In place, ongoing update of news | ED | -Ongoing |
| <u>CAFII Branding</u> -develop marketing tagline | several taglines to be sent to Board, -identify differentiating factor, eg advocating for insurance access , choice, all Canadians | J Lewsen | Completed |
| | - include tagline on all submissions, website, swag, and letters to regulators | ED | -In process; to be completed in conjunction with Re-Branding and Visual Identity Modernization initiative |
| -CAFII newsletter for regulators | -Insurance regulatory news to be collected monthly and shared with regulators as a value added service Budget Request re formatting? | ED | -Completed and ongoing. |
| -CAFII “look” | -Develop a font and layout unique to CAFII to be used in letters, submissions and newsletter; assess if new logo needed Budget allocation request \$10,000 | ED | -In process as part of CAFII Re-Branding and Visual Identity Modernization |
| -Acquire soft marketing tools (pads, pens etc), | -Coasters suggested– include tagline and web address on next re-order -Budget allocation request | | -Pens, mugs and i-phone holders are in stock |

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| Initiatives | Status/Explanation | Resp | Next steps |
|---|---|--|---|
| <u>Media Protocol</u> -Develop and manage protocol for handling media requests -media training for ED | -Protocol to be revised with arrival of ED -Budget allocation request \$2,000 | ED | -Completed; revised Media Protocol approved by MAC on January 17/13 -Schedule training for Q4 2013. Expand to include Board members who are interested and available on the day booked for media training. |
| -Monitor Media | | ED | Ongoing |
| -Develop List of Friendly media | | | Paul & Moira have completed list |
| -Notify communications departments of member firms | -To be done when messaging is reviewed | | |
| -News Release | -Send out notification re new ED | | -Notice sent to all CAFII members. Included in first issue of Regulators' newsletter. Also to be sent directly to each regulator with a cover letter from M. Cummings |
| Develop 2-3 likely scenarios | | ED | -B. Wycks reviewing material drafted by G. Grant. |
| Key Message Development - identify issues and develop key messages | -Key message document: develop and review stock messages to be used in communication opportunities | ED | -Key Messages reviewed and refined by B. Wycks as part of External Communications Strategy development |
| -Regulator Kit -develop booklet /brochure -Key Facts sheet | For new regulators. Compile package of information for regulators which can include -booklet - past submissions, -testimonials and -key fact sheet. Booklet - take images from website, testimonials, designed to highlight major issues. Small 10 page booklet that can be given out with business cards. -develop a "Key Facts" sheet to be part of regulator package | ED ED ED | -Some content developed by RBC intern -To be completed as part of External Communications Strategy implementation -To be completed as part of External Communications Strategy implementation |

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| Initiatives | Status/Explanation | Resp | Next steps |
|--|--|------|---|
| Manage research to support message (eg. Pollara) - develop key messages - manage plan of use of research - determine when and what research must be undertaken or renewed | -Pollara plan of use in place | MAC | -Research is a key component of External Communications Strategy. Plan of use to be reviewed by ED in light of Strategy, once approved |
| -Industry Statistics | - identify and keep current statistics from LIMRA and CAFII research | ED | -overlapping responsibility with DMC. Referred/delegated to DMC. |
| -Webinars Develop and offer webinar education Determine distribution of webinar material | -develop / oversee development of new webinars -review and keep webinars current -track who has seen which webinars -plan number of webinars per year, have list of upcoming webinars -deliver webinars Budget allocation request \$10,000 | ED | -Digital commerce and social media webinar, developed by Davis Yoo and Debbie Dimoff of PwC, delivered to CCIR audience on May 30, 2013. -Topic and timing of next webinar for CCIR under consideration. |

Media Response Taskforce

Membership: Taskforce consists of any two members of the Media and Advocacy Strategy committee plus Brendan Wycks.

Purpose: Deal with media issues as they arise. Make recommendation to Board communications committee (Members: Mark Cummings, Scotialife Financial; Dave Minor, TD; Rick Lancaster, CIBC; Julie Barker-Merz BMO)

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Networking and Events Committee

Membership: 1 Chair - 2 members , EOC chair is an ex-officio member

Chair: Paul Yeung RBC 2) Maria Sanchez –Chung TD 3) Ex-officio: Jennifer Hines Resources: Leya Duigu, Brendan Wycks

Mandate : Operate CAFII events and receptions to maintain contact with regulators, associate members and other key stakeholders.

| Priority | Activities | Status |
|---|--|--|
| Plan Quarterly Speaker and reception events, and member-only event | -February Speaker Event (members only) | -Moved to March 26, 2013, with Jane Carr, Vice-President and Managing Attorney, Assurant Solutions, Atlanta, speaking on “Issues, Challenges and Opportunities in U.S. Debt and Other Protection Products.” -Completed and successful |
| | -April 10, 2013 CAFII 15 th Anniversary Event | -Completed and successful |
| | -June AGM/Regulator Reception Event | -Completed and successful. Doug McPhie, Ernst & Young’s Canadian Insurance Leader, was speaker on “2013 Canadian Life Insurance Outlook” for Regulator Reception event on June 11, 2013 |
| | October Speaker Event | John Wilkinson, former Ontario MPP and Cabinet Minister in McGuinty Liberal government, booked as Speaker under “Chatham House Rule” |
| | December Reception | |
| Keep current lists of key contacts | | |
| Christmas cards to key contacts? | | |
| Seek out other opportunities to meet with contacts (eg. corporate table) | | |