

***Read Only Agenda Item 7(a)
September 20/22 EOC Meeting***

From: Brendan Wycks

Sent: August-22-22 11:55 AM

To: CAFII Executive Operations Committee and Market Conduct & Licensing Committee Members:

Cc: Keith Martin <Keith.Martin@cafii.com>; Jake Becker <jake.becker@cafii.com>; 'sharon.apt@td.com' <sharon.apt@td.com>; 'Suzie Blanchard' <Suzanne_blanchard@manulife.ca>

Subject: Recommendation From CAFII Management That CAFII Not Make A Written Submission To OSFI On Revised Guideline B-10: Third-Party Risk Management; Feedback Requested By Wednesday, September 7/22 At 12 Noon

CAFII Executive Operations Committee and Market Conduct & Licensing Committee Members:

With respect to OSFI's current consultation on its *Revised Guideline B-10: Third Party Risk Management*, based on insights (summarized in attached PDF) gained from

- two meetings of the Market Conduct & Licensing Committee on this consultation opportunity over the summer (June 27/22 and July 18/22);
- a June 30/22 meeting with the Canadian Life and Health Insurance Association's Devika Prashad, Vice-President and Chief Actuary, and Sarah Hobbs, Director, Policy, the two CLHIA staff executives responsible for its submission on this OSFI consultation;
- a July 13/22 meeting with three OSFI staff executives responsible for this consultation; and
- an August 8/22 meeting (see email exchange below) with Marina Mandal, the Canadian Bankers Association's Vice-President, Engagement and Integration, who is responsible for CBA's submission on this OSFI consultation,

Keith Martin and I recommend that CAFII should not make a written submission to OSFI on its current B-10 consultation; and instead our Association should defer to CBA and CLHIA and support those Associations' written submissions.

The rationale for this recommendation is this:

- typically, CAFII -- which is focused exclusively on credit protection insurance, travel insurance, and direct-to-consumer distribution channels -- emphasizes issues specific to those areas alone in its response submissions to regulatory consultations; and there does not appear to be anything unique about those areas with respect to OSFI's *Revised Guideline B-10: Third-Party Risk Management*, such that a CAFII written submission would provide feedback that would not be addressed by the Canadian Bankers Association (CBA) and/or the Canadian Life and Health Insurance Association (CLHIA) in their respective submissions to OSFI; and

- there is also a risk of expanding the scope of CAFII's submission to address issues that might be considered 'bank-wide' issues, including the potential for taking a different approach than the CBA might take.

Therefore, we ask that you consider this recommendation from the two Co-Executive Directors, as CAFII management; socialize it, as necessary, within your member company; and respond to us by Wednesday, September 7/22 at 12 Noon EDT with an indication as to whether your Member company supports this recommendation or, alternatively, would prefer to see CAFII make its own submission in response to this OSFI consultation. (We would appreciate one consolidated response per Member company.)

(In mid-July, OSFI extended the deadline for submissions in response to its Revised Guideline B-10 consultation document, from July 27/22 to September 30/22.)

Thanks and best regards,

Brendan Wycks, BA, MBA, CAE

Co-Executive Director

Canadian Association of Financial Institutions in Insurance

Brendan.wycks@cafii.com

T: 647.218.8243

Alternate T: 647.361.9465

www.cafii.com

Approval/Affirmative Responses Received From:

Assurant Canada

CIBC Insurance

ScotiaLife Financial

Valeyo

From: "Mandal, Marina" <MMandal@cba.ca>

Date: August 8, 2022 at 3:06:12 PM EDT

To: Brendan Wycks <brendan.wycks@cafii.com>

Cc: "Barnes, Alana" <ABarnes@cba.ca>, Keith Martin <keith.martin@cafii.com>

Subject: RE: CAFII Summary Document On OSFI's Consultation On Its Third-Party Risk Management Expectations As Set Out In Its Revised Guideline B-10

Hi Brendan,

Thanks to both you and Keith for your time this morning and for sending the CAFII summary document.

Please feel free to reach out as well with any questions.

Hope you both enjoy the rest of the summer,
Marina



Marina Mandal
VP, Engagement & Integration
416.888.8654
(She/Her)

From: Brendan Wycks
Sent: August-08-22 1:51 PM
To: Mandal, Marina <MMandal@cba.ca>
Cc: Barnes, Alana <ABarnes@cba.ca>; Keith Martin <Keith.Martin@cafii.com>
Subject: CAFII Summary Document On OSFI's Consultation On Its Third-Party Risk Management Expectations As Set Out In Its Revised Guideline B-10

Hi, Marina.

Thank you for meeting with Keith Martin and me this morning and sharing with us the high points of CBA's well-advanced/near final draft submission to OSFI on its Revised Draft Guideline B-10: Third Party Risk Management.

It was a pleasure to meet you virtually and to exchange information on our respective Associations' views on this matter.

As promised, attached is a CAFII summary document which captures the highlights of our members' concerns about Revised Draft Guideline B-10, including the essence of a virtual meeting which Keith and I had on July 13 with three OSFI staff executives to raise those concerns, ask some questions, and get some clarifications.

Based on our discussion with you this morning, Keith and I feel very assured that CBA's well-advanced/near final draft submission largely reflects the content and tenor of what would be included in a CAFII written feedback submission.

Therefore, we will now reiterate our previously communicated recommendation to our CAFII Executive Operations Committee (EOC) that our Association should **not** make a written submission to OSFI on its current B-10 consultation; and instead CAFII should defer to CBA and CLHIA and support those Associations' written submissions.

That said, you might find some content in the attached CAFII document which may help to strengthen/augment/buttreass your CBA written submission.

Don't hesitate to reach out to us if there is anything therein that you need clarification on or would like to engage further with us about.

Best regards,

Brendan Wycks, BA, MBA, CAE

Co-Executive Director

Canadian Association of Financial Institutions in Insurance

Brendan.wycks@cafii.com

T: 647.218.8243

Alternate T: 647.361.9465

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