

**CAFII Board of Directors Agenda
In-Person/Virtual Hybrid Meeting**

Date: Tuesday, June 7, 2022
Chair: C. Lobbezoo
Location: In-Person at TD Bank Tower, 66 Wellington St. West, 10th Floor Boardroom, Toronto;
Virtual Via [Virtual MSTEams Meeting](#)

Time: 2:20 to 4:00 p.m. EDT
Dial-in: 437-703-4263
Phone Conference ID: 965 295 258#

1. Welcome, Call to Order, and Meeting Confirmation	2:20 p.m.	Presenter	Action	Document
a. Welcome to New CAFII Director: Simon Lacroix-Hubert, Desjardins Insurance		C. Lobbezoo		✓
b. Approval of Agenda		C. Lobbezoo	Approval	✓
c. Review and Acceptance of CAFII Competition Law Policy		C. Lobbezoo	Approval	✓
d. Appointment of 2022-2023 CAFII Officers		C. Lobbezoo	Approval	
e. Welcome to New CAFII Treasurer: Donald Hinneke, RBC Insurance				✓

2. Consent Items	2:35 p.m.			
a. Draft Board Meeting Minutes, April 12, 2022				✓
b. Summary of Board and EOC Action Items				✓
c. April 2022 Regulatory Update				✓
d. May 2022 Regulatory Update				✓
e. Consultations/Submissions Timetable				✓
f. Regulator and Policy-Maker Visit Plan Recap				✓
g. Committee Reports Addressing CAFII Priorities				✓
h. Board-Approved CAFII 2022 Schedule of Meetings and Events				✓

3. Governance Matters	2:38 p.m.	Presenter	Action	Document
a. Progress In Identifying A Fall 2022 Date For CAFII 25 th Anniversary Celebration, When Insurance Regulators and Policy-Makers Will Be In Toronto		B. Wycks	Update/ Discussion	✓
b. Plans to Hold In-Person CAFII 2022 Annual Members and Associates Luncheon On Tuesday, September 13/22 at St. James Cathedral Event Centre Venue, Toronto		B. Wycks	Update/ Discussion	
c. Plans for Next CAFII Board Meeting on Tuesday, October 11/22: To Be Held In Quebec and Combined With A Liaison Lunch and/or "Industry Issues Dialogue" With AMF Staff Executives?		B. Wycks	Update/ Discussion	

4. Financial Management Matters	2:52 p.m.	Presenter	Action	Document
a. CAFII Financial Statements as at April 30/22		T. Pergola	Approval	✓
b. Forecast for CAFII 2022 Fiscal Year as at April 30/22		T. Pergola	Update	✓
c. Payment of 2022 Member First Instalment Dues Invoices; and 2022 Associate Dues Invoices		B. Wycks	Update	

5. Strategic and Regulatory Matters	3:05 p.m.	Presenter	Action	Document
a. Implementation of Board-Approved Next Steps Re Public Release of Results of Deloitte Canada Thought Leadership Paper on Digitization of CPI: (a) Webinars for Insurance Regulators and Policy-Makers; and Allied Industry Association and CAFII Associate Representatives; (b) Posting of Executive Summary of Research Results on CAFII Website; and (c) Media Release Based on Executive Summary of Research Results	3:05 p.m.	K. Martin	Update	✓ (2)
b. Implementation of 2022 Operatic Agency Scope of Work Proposal Re CAFII Website and Search Engine Optimization Results Enhancements	3:11 p.m.	K. Martin	Update	✓

5. Strategic and Regulatory Matters (Continued)	Presenter	Action	Document
c. Insights Gained from May 3/22 CAFII Webinar On “Principles-Based Regulation (PBR); The Emergence of Rule-Making Authority; and How They Work Together: A Complementary, Harmonious Fit Or ‘Dynamic Tension’ For Canada’s Insurance Regulators?” 3:16 p.m.	K. Martin	Update	✓ (2)
d. Insights Gained from CAFII/CLHIA/THIA Biweekly Meetings Re Impact of COVID-19 On Travel and the Travel Insurance Industry 3:22 p.m.	B. Wycks	Update	

6. Read Only Items	3:25 p.m.		Read Only	Document
a. Recently Completed and Imminent/Pending CAFII Regulatory Submissions As At May 30/22				✓
b. CAFII Insights Summary from 2022 CLHIA Compliance and Consumer Complaints Conference (Virtual Only), May 4-5/22				✓
c. April 29/22 CAFII Response Submission to FSRA Consultation on “Principles-Based Regulation” Approach Guidance				✓ (2)
d. May 3/22 CAFII Response Submission to FSRA Consultation on “Principles of Conduct for Insurance Intermediaries”				✓
e. List Of Government, Insurance Policy-Maker, and Regulator Registrants for May 3/22 CAFII Webinar On “Principles-Based Regulation (PBR); The Emergence of Rule-Making Authority; and How They Work Together: A Complementary, Harmonious Fit Or ‘Dynamic Tension’ For Canada’s Insurance Regulators?”				✓

7. In Camera Session	3:30 p.m.	Presenter	Action	Document
a. Recent CAFII Implementation Steps Re Industry Consensus/Unity Position That AMF’s Fact Sheet and Notice of Rescission Do Not Need To Be Distributed To Card Holders With Embedded Insurance Benefits At This Time		R. Dobbins	Update/ Discussion	
b. Members’ Contributions to CAFII’s Advancement Through Contribution of Volunteer Resources to Committee Chair, Vice-Chair, and Member Roles As At May 30/22		R. Dobbins	Update/ Discussion	✓
c. Other Business			Discussion	

2022 CAFII Annual Members and Associates Luncheon: Tuesday, September 13, 2022, 11:45 a.m. to 2:15 p.m.
at St. James Cathedral Event Centre Venue, 65 Church St., Toronto

Next Board Meeting: Tuesday, October 11, 2022, 2:20 to 4:00 p.m. EDT
(In-Person/Virtual Hybrid Meeting; With Possible Montreal or Quebec City Location For In-Person Attendance To Be Confirmed)

Briefing Note

CAFII Board Meeting 7 June, 2022 Agenda Item 1(a)

Welcome, Call to Order, and Meeting Confirmation: Welcome to New CAFII Director: Simon Lacroix-Hubert, Desjardins Insurance

Purpose of this Agenda Item – Update

To welcome, and invite to introduce himself, the new CAFII Board Director from Desjardins Insurance, Simon Lacroix-Hubert.

Background Information

Chantal Gagné is stepping down as the Board member for Desjardins Insurance and she will be replaced by Simon Lacroix-Hubert.

Recommendation / Direction Sought -- Update

Update only.

Attachments Included with this Agenda Item

1 attachment.

***Agenda Item 1(a)
June 7/22 Board Meeting***

Welcome to New CAFII Director: Simon Lacroix-Hubert, Desjardins Insurance

Simon Lacroix-Hubert



In 2004, Simon Lacroix-Hubert obtained his actuarial degree from Laval University in Quebec City.

During his ensuing career, he also obtained his associateship from the Canadian Institute of Actuaries and the Society of Actuaries.

Simon now has nearly 20 years of experience at Desjardins, mainly in the direct sales product environment.

He has worked in pricing, product development, and strategic planning at Desjardins.

Simon is currently Manager of a Direct Sales Product Development and Pricing department at Desjardins, a position he has held since 2019.

Briefing Note

CAFII Board Meeting 7 June, 2022 Agenda Item 1(b)

Welcome, Call to Order, and Meeting Confirmation: Approval of Agenda

Purpose of this Agenda Item – *Approval*

The Board will be requested to approve the agenda.

Background Information

At this first in-person/hybrid CAFII Board meeting in more than two years, Board members will be asked to approve the agenda.

Recommendation / Direction Sought – *Approval*

Approval requested.

Attachments Included with this Agenda Item

1 attachment.

Briefing Note

CAFII Board Meeting 7 June, 2022 Agenda Item 1(c)

Welcome, Call to Order, and Meeting Confirmation: Review and Acceptance of CAFII Competition Law Policy

Purpose of this Agenda Item – Approval

The Board will be requested to approve the CAFII Competition Law Policy.

Background Information

As an industry Association of Member companies that are competitors, it is critical that CAFII Members strictly adhere to the requirements of Canada's Competition Act.

Once each year, at the first meeting of the new CAFII Board of Directors that has been constituted via the Annual Meeting of Members, Board members are asked to acknowledge that they have reviewed and will adhere to CAFII's Competition Law Policy.

Recommendation / Direction Sought – Approval

Approval requested.

Attachments Included with this Agenda Item

1 attachment.

Document Owner:	CAFII Executive Operations Committee
Practice Applies to:	CAFII Members
Process Responsibility:	CAFII Secretary
Final Accountability:	CAFII Board of Directors

DEFINITION:

"Competition Act" means the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

COMPETITION LAW POLICY

1. Competition Law Policy Statement

It is the Corporation's policy that it, and all of its members, fully comply with the Competition Act in respect of any activity undertaken for or on behalf of the Corporation. Responsibility for such compliance rests with the Board and with each member.

2. Guidelines for Competition Act Compliance

At each Annual and Special Meeting of members of the Corporation, members shall be furnished with the Corporation's Guidelines for Competition Act Compliance ("Competition Law Policy") and a summary of the policy shall be read into the record at the beginning of the meeting as a reminder of members' undertakings with respect to Competition Act compliance. At meetings of the Board of Directors of the Corporation and of its Executive Operations Committee, this policy shall be referenced and acknowledged at the beginning of each meeting.

3. Consequences for Failure to Comply with Policy and Guidelines

Failure by a member to comply with this policy or the Guidelines is grounds for removal of that member from the register of the Corporation in accordance with section 9.06.

4. Annual Review of Guidelines

The Guidelines shall be reviewed annually by the Corporation and shall be amended from time to time, as necessary or considered desirable by the Board of Directors.

Any changes to the Competition Law Policy may not be ratified by electronic means.

If you have any questions, comments or suggestions regarding this document, contact the Executive Director, Brendan Wycks at Brendan.wycks@cafii.com.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

GUIDELINES FOR *COMPETITION ACT* COMPLIANCE

Trade association meetings present a risk of interactions among competitors that in and of themselves may contravene, or may lead to a contravention of, Canada's competition laws. Depending on the circumstances, an inference may be drawn by the Competition Bureau of an improper agreement among competitors resulting from such interactions. In addition to rules of general application to all industries, there are also specific provisions in the *Competition Act* (the "**Act**") dealing with agreements or arrangements between federal financial institutions.¹

Consequently, the Canadian Association of Financial Institutions in Insurance ("**CAFII**"), and its members, should be cognizant of the importance of compliance with the Act and committed to such compliance. In fulfilling the mandate of CAFII, and working towards the achievement of its objectives, members of CAFII are expected to adhere to the guidelines that follow and CAFII's competition law policy to promote and respect the spirit and the letter of the law.

1. Prohibited Activities²

(a) **Anti-Competitive Agreements or Understandings**

Neither CAFII nor any committee or activity of CAFII shall be used for the purpose of bringing about or attempting to bring about any agreement, written or oral, formal or informal, express or implied, among competitors regarding:

- (i) the amount or kind of prices, premiums, service charges, interest rates, or other terms or conditions of any products or services to be offered for sale by insurance companies;
- (ii) the amount or kinds of products or services to be offered to customers or classes of customers;
- (iii) the customers or classes of customers to whom any insurance company product or service may be sold or withheld; or
- (iv) the territories in which an insurance company product or service may be sold.

(b) **Sharing Information Posing Anti-Competitive Risk**

No CAFII activity, including any activity undertaken by a CAFII committee or group, shall involve discussion, exchange, collection or dissemination among competitors, for any purpose or in any fashion, information on those matters identified in subparagraphs (i) to (iv) in paragraph (a) above.

¹ For the purposes of the relevant provisions of the Act, "federal financial institution" means a bank or authorized foreign bank within the meaning of section 2 of the *Bank Act*, a company to which the *Trust and Loan Companies Act* applies or a company or society to which the *Insurance Companies Act* applies.

² The activities captured by these guidelines include any activities undertaken for or on behalf of CAFII, including but not limited to, CAFII meetings, formal or informal CAFII-sponsored events, and advocacy and lobbying initiatives.

Where projects involve the collection of individual firm statistical data, such collection shall involve only aggregate data from past transactions and shall include effective steps to protect against disclosure of individual product-pricing or interest-payment information.

(c) Exchange of Cost Information – Anti-Competitive Purposes

No CAFII activity shall include any discussion of costs or any exchange of cost information for the purpose or with the probable effect of:

- (i) increasing, maintaining, or stabilizing prices, premiums, service charges, interest rates, or other terms or conditions of insurance company products or services;
- (ii) reducing competition with respect to the range or quality of products or services offered by insurance companies; or
- (iii) promoting agreement among insurance companies with respect to their selection of products or services for purchase, their choice of suppliers, or the prices they will pay for such products or services, including commissions for the services of commissioned agents.

(d) Published Papers

Papers published by or on behalf of CAFII or presented in connection with CAFII programs should not discuss or refer to the amount or kind of prices, premiums, service charges, interest rates, or other financial terms or conditions of insurance products or services offered for sale by insurance companies. Additionally, reference to costs in such papers should not be accompanied by any suggestion, express or implied, that prices, premiums, interest rates, service charges or other terms or conditions of insurance company products or services should be raised, adjusted, or maintained in order to reflect such costs. To ensure compliance, authors of conference papers shall be informed of CAFII's Guidelines for Competition Act Compliance and CAFII's competition law policy and the need to comply with these rules in the preparation and presentation of their papers.

(e) No Attempt at Product Standardization

Neither CAFII nor any CAFII committee or group shall make any effort to bring about the standardization of any insurance product or service for the purpose or with the effect of preventing the development or sale of any product or service not conforming to a specified standard.

(f) Independent Dealings with Suppliers

No CAFII activity or communication shall include any agreement, or any discussion which might be construed as an agreement, to collectively refrain from purchasing any products or services from any supplier.

(g) No Exclusion from CAFII Activities

No person shall be arbitrarily or unreasonably excluded from participation in any CAFII committee or activity where such exclusion may impair such person's ability, or the ability of his or her employer, to compete effectively in the insurance industry or as a supplier to the insurance industry.

2. Permissible Activities

The Act expressly permits certain activities among competitors and, as a result, within trade associations. These permitted activities include:

- the exchange of statistics;
- the defining of service or product standards;
- the exchange of credit information;
- the definition of industry terminology;
- co-operation in research and development; and
- agreements on environmental protection measures.

However, the usefulness of these exemptions is **very limited**. These activities become illegal if the result is that competition is unduly decreased, or if entry into an industry or expansion of a business within that industry is unduly restricted. For example, although “the exchange of statistics” is permitted, that does not mean that any and all forms and kinds of statistics and numbers, such as price lists or market-share data, may be exchanged among trade association members. Likewise, the defining of service or product standards may become criminal conduct if there is an agreement that CAFII members will restrict the range of services or products they offer to certain specified customers, or they agree to standards in terms of quality, range or quantity of products or services they offer with the aim of eliminating low price competitors.

3. Efforts to Influence Governmental Action

In general, one has a right to meet and to make joint presentations with respect to governmental activities of common interest. However, this right should not be used jointly by competitors for an anti-competitive purpose such as, for example, the lobbying for a legislative or regulatory change having the objective of impeding entry of new competitors, increasing insurance premiums, or restricting insurance services to certain classes of customers or geographic regions. Caution should be exercised where a particular lobbying initiative pertains to subject-matter that has competitive overtones or may be perceived as a concerted effort to lessen or prevent competition. In such cases, legal advice should be sought before proceeding with the initiative.

Briefing Note

CAFII Board Meeting 7 June, 2022 Agenda Item 1(d)

Welcome, Call to Order, and Meeting Confirmation: Appointment of 2022-2023 CAFII Officers

Purpose of this Agenda Item – Approval

The Board will be requested to appoint the slate of CAFII Officers proposed for 2022-2023.

Background Information

At this first meeting of a new CAFII Board of Directors which has been constituted via the Annual Meeting of Members, the Board is required to appoint a slate of Officers (Chair, Vice-Chair, Treasurer, EOC Chair and Board Secretary, and EOC Vice-Chair and Vice-Board Secretary) for the current governance year, 2022-2023.

CAFII Board Chair Chris Lobbezoo will announce the proposed slate of 2022-2023 CAFII Officers at the Board meeting.

Recommendation / Direction Sought – Approval

Approval requested.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII Board Meeting 7 June, 2022 Agenda Item 1(e)

Welcome, Call to Order, and Meeting Confirmation: Welcome to New CAFII Treasurer: Donald Hinnecke, RBC Insurance

Purpose of this Agenda Item – Approval

Under the previous agenda item 1(d), the Board will have appointed a new CAFII Treasurer: Donald Hinnecke, Director of Insurance Finance, RBC Insurance.

This is an opportunity for Donald Hinnecke to introduce himself briefly to CAFII Board members.

Background Information

After four years of exemplary service as CAFII Treasurer, Tony Pergola of ScotiaLife Financial is stepping down, and he will be replaced by Donald Hinnecke, RBC Insurance.

Recommendation / Direction Sought – None

Welcome and brief self-introduction only.

Attachments Included with this Agenda Item

1 attachment.

Agenda Item 1(e)
June 7/22 Board Meeting

Welcome to New CAFII Treasurer: Donald Hinnecke, RBC Insurance

Donald Hinnecke | Director, Insurance Finance | RBC Insurance | T. 905-606-1914; C. 437-333-9614 |
E: Donald.Hinnecke@rbc.com
6880 Financial Drive, Tower 1 - 4th floor, Mississauga, ON L5N 7Y5

Donald Hinnecke, CPA, CMA

Certified Professional Accountant with a CMA background and 25 years of experience in analyzing business intelligence and turning it into smart recommendations that help organizations with annual revenues of \$800M-\$10+B make crucial financial decisions. Spearhead streamlining of reporting and forecasting frameworks to maximize data integrity and quality of projections. Align resources, build models and put forth plans outlining optimum paths to achievement of set goals. Merited for presenting both the birds-eye view and the downstream consequences for each case. Respected team leader with global delivery expertise and in-depth understanding of multinational, multidimensional legal entities and jurisdiction.

Experience

Director, Insurance Finance, RBC Insurance

Director, Financial Reporting, Manulife

Senior Manager, Corporate Controllers, BMO Financial Group

Manager, Corporate Accounting, Maritime Life Assurance Company

Education

Bachelor of Arts (Economics), York University

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 2(a-h) Consent Items

Purpose of this Agenda Item – Information Only

To provide documentation for the Board to review, which does not require updates, discussion, or decisioning.

Background Information

The Consent Items that do not require any discussion or decisions are:

- a. Draft Board Meeting Minutes, April 12, 2022;
- b. Summary of Board and EOC Action Items;
- c. April 2022 Regulatory Update;
- d. May 2022 Regulatory Update;
- e. Consultations/Submissions Timetable;
- f. Regulator and Policy-Maker Visit Plan Recap;
- g. Committee Reports Addressing CAFII Priorities;
- h. Board-Approved CAFII 2022 Schedule of Meetings and Events.

Recommendation / Direction Sought – Information Only

One blanket motion to receive 7 of 8 Consent Item documents for the record; and to approve the draft minutes of the CAFII Board meeting held April 12, 2022.

Attachments Included with this Agenda Item

8 attachments.

**CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE
BOARD OF DIRECTORS VIRTUAL MEETING**

Tuesday, April 12, 2022

2:00 to 4:00 p.m. EDT

Minutes

Board Members

Present:

Nicole Benson	Valeyo
Paul Cosgrove	Assurant
Zack Fuerstenberg	ScotiaLife Financial
Louie Georgakis	The Canada Life Assurance Company
Chris Lobbezoo	RBC Insurance; <i>Board Chair</i>
Peter McCarthy	BMO Insurance
Ian Oncea	CIBC Insurance
Wally Thompson	Manulife Financial
Peter Thompson	National Bank Insurance; <i>Board Vice-Chair</i>
Kelly Tryon	CUMIS/The Co-operators
Rob Robinson	Canadian Premier Life Insurance Company
Chantal Gagné	Desjardins
Sophie Ouellet	Sun Life
Atanaska Novakova	TD Insurance (<i>for part</i>)

Regrets:

Adam Vespi	Canadian Tire Financial Services
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Also Present:

Brendan Wycks, Co-Executive Director
Keith Martin, Co-Executive Director
Rob Dobbins, EOC Chair and Board Secretary
Karyn Kasperski, RBC Insurance; EOC Vice-Chair and Vice-Board Secretary
Jake Becker, Recording Secretary

Item 1: Welcome, Call to Order, and Meeting Confirmation

Chris Lobbezoo welcomed all to this meeting of the CAFII Board of Directors, which was held virtually on the Microsoft Teams platform, and called the meeting to order at 2:02 p.m. Jake Becker acted as Recording Secretary.

Item 1(a): Declaration of Meeting Properly Called and Constituted

Rob Dobbins, Board Secretary, confirmed that notice of the meeting had been sent to all Directors in accordance with the Association's By-Law; and that a quorum of Directors was present.

Chris Lobbezoo declared this meeting of the Board of Directors of the Canadian Association of Financial Institutions in Insurance duly convened and properly constituted for the transaction of business.

Item 1(b): Approval of Agenda

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the meeting Agenda be and is approved as circulated.

Item 2: Consent Items

- a. Draft Board Meeting Minutes, December 7/21
- b. Summary of Board and EOC Action Items
- c. January 2022 Regulatory Update
- d. February 2022 Regulatory Update
- e. March 2022 Regulatory Update
- f. Consultations/Submissions Timetable
- g. Regulator and Policy-Maker Visit Plan
- h. Board-Approved Schedule of CAFII 2022 Meetings and Events

*On a motion duly made, seconded, and unanimously carried **IT WAS RESOLVED** that the Consent Agenda items be and are approved or received for the record, as indicated in the Action column in the Consent section of the agenda.*

*On a further motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the minutes of the Board of Directors held December 7, 2021 be and are adopted in the form presented, and that a copy of those minutes be signed and placed in the minute book of the Corporation.*

Item 3: Governance Matters

Item 3(a): Appointment of a New CAFII Director

Mr. Lobbezoo recalled that Janice Farrell-Jones had taken on a new position within TD Bank; and, as a result, TD Insurance had nominated Atanaska Novakova, Senior Vice-President, TD Life and Health Insurance, TD Bank Group as TD Insurance's new Director on the CAFII Board.

*On a motion duly made, seconded, and unanimously carried **IT WAS RESOLVED** that Atanaska Novakova be appointed as the new TD Insurance Director on the CAFII Board.*

Ms. Novakova was then contacted and invited to join this CAFII Board meeting, in progress.

Item 3(b): Welcome to and Self-Introduction by New CAFII Director Atanaska Novakova, TD Insurance

Chris Lobbezoo welcomed Atanaska Novakova to the CAFII Board. In response to Mr. Lobbezoo's invitation, Ms. Novakova introduced herself to her fellow Board members.

Item 3(c): Need For Successor CAFII Treasurer

Chris Lobbezoo noted that after five years of exemplary service as Treasurer, Tony Pergola had informed CAFII that it would be necessary for him to step down from that role, such that the Association would need to have a new Treasurer in place by the 7 June, 2022 Annual Meeting of Members and immediately ensuring first meeting of the 2022-23 Board of Directors.

Mr. Pergola provided an overview of the responsibilities and time commitment involved in serving as CAFII Treasurer, and Brendan Wycks provided some additional contextual information about the role. Mr. Lobbezoo said that this issue would be further discussed in the *in camera* session of today's Board meeting.

Item 3(d): Plans for June 7/22 Return to In-Person CAFII Annual Meeting of Members; First Meeting of 2022-23 CAFII Board; and CAFII 25th Anniversary Celebration

Mr. Lobbezoo noted that the Association was exploring a return to in-person meetings, with the particular intention of holding an in-person 2022 CAFII Annual Meeting of Members; immediately followed by the first meeting of the 2022-23 CAFII Board; then followed by a CAFII 25th Anniversary Celebration, all on Tuesday, June 7/22 and hosted by BMO Insurance in its parent bank's corporate event space on the 68th floor of First Canadian Place in Toronto.

To gauge the comfort of CAFII member representatives with proceeding with these in-person events, CAFII had surveyed Board and EOC members on their views around the options available.

Brendan Wycks, assisted by CAFII Account Co-ordinator at Managing Matters Jake Becker, then screen-shared the results of that survey in this meeting.

The survey results indicated that a hybrid (in-person and virtual) model for the Annual Meeting of Members and immediately ensuing Board meeting would work, but that there was still considerable hesitancy among many CAFII Board and EOC members around an in-person celebratory event on 7 June.

On a motion duly made, seconded, and unanimously carried IT WAS RESOLVED that:

- *An in-person meeting of the Annual Meeting of Members, and Board meeting, would be held on 7 June, 2022;*
- *the in-person CAFII 25th Anniversary celebration event be held later in the year, after Labour Day 2022;*
- *the in-person CAFII 25th Anniversary celebration event does not need to be held on the same day as a Board meeting; and*
- *the in-person CAFII 25th Anniversary celebration should be held on a date that maximizes regulators' ability to participate.*

[Action Item: Consult with CCIR & CISRO to find a date for holding the in-person CAFII 25th Anniversary celebration that maximizes regulators' participation; B. Wycks, K. Martin, April 30, 2022.]

Item 4: Financial Management Matters

Item 4(a): Draft CAFII 2021 Audited Financial Statements and Independent Auditor's Report Thereon

Mr. Lobbezoo advised that CAFII's 2021 Audited Financial Statements and Independent Auditor's Report Thereon must be approved by the Board prior to being presented to the membership for approval at the Association's 2022 Annual Meeting which was coming up on Tuesday, June 7.

CAFII Treasurer Tony Pergola presented an overview of the audit's findings, noting that KPMG had delivered a clean audit opinion and the Association's finances were very sound. KPMG Partner Huston Lopez said that the audit process had gone smoothly and KPMG had received full co-operation from CAFII management.

*On a motion duly made, seconded, and unanimously carried **IT WAS RESOLVED** that the Board approves the Draft 2021 CAFII Audited Financial Statements and Independent Auditor's Report Thereon, in the form presented, for presentation to the Membership for approval at the 2022 Annual Meeting of Members on June 7, 2022.*

Item 4(b): Timelines for Board and Membership Approval of CAFII 2021 Audited Financial Statements

Brendan Wycks reported that the audited financial statements would now be included in the materials distributed to Directors in conjunction with the Annual Meeting of Members on 7 June, 2022, where they will be presented for formal approval.

Item 4(c): Recommendation Re Closure of Existing Restricted Fund In CAFII Financial Statements; and Related Transfer of Residual Funds into General Fund during Fiscal Year 2022

Treasurer Tony Pergola recalled that CAFII had previously created a special Restricted Fund which had been funded via a Special Levy upon members to carry out a special project on credit card balance protection insurance.

Most of the Restricted Fund monies were subsequently spent, but residual funds of approximately \$12,000 remain in the Restricted Fund.

Board members had previously indicated that they felt that the amount was too low to warrant a pro ratas refund to their member companies.

With the Restricted Fund's residual monies no longer needed as the special project is now concluded, Mr. Pergola advised that he, as Treasurer, and the Co-Executive Directors, as CAFII management, were recommending that the Restricted Fund be wound down and that its residual monies be transferred into the Association's General Fund during the Association's 2022 fiscal year.

*On a motion duly made, seconded, and unanimously carried **IT WAS RESOLVED** that the Board approves the winding down of CAFII's Restricted Fund and that its residual monies be transferred into the Association's General Fund during the 2022 fiscal year.*

[Action Item: Work with CAFII's Treasurer and assigned Controller to wind down the Restricted Fund and transfer its residual monies into the Association's General Fund during the 2022 fiscal year; B. Wycks, K. Martin, December 31, 2022.]

Item 4(d): CAFII Financial Statements as at February 28/22

Treasurer Tony Pergola said that in the first two months of 2022, CAFII had revenues of \$166K, expenses of \$114K, producing a \$52K surplus which is \$55K favourable to budget. He advised that this is mostly due to the timing of expenses, for example no legal expenses have been incurred to date. Mr. Pergola also noted that the Association's financial reserves are currently at a very healthy 55% of annual operating expenses, but that level of reserves is expected to drop to 47% of annual operating expenses by the end of the 2022 fiscal year, which is on the higher end of the 25% to 50% range that the Association targets.

Item 4(e): Forecast for CAFII 2022 Fiscal Year as at February 28/22

Treasurer Tony Pergola reported that a key change had recently been made to the CAFII 2022 fiscal year forecast document: a 4% salary and benefits increase for the two Co-Executive Directors, resulting from the just-completed 2021 performance appraisal process. The amounts in the Management Fees line will therefore be slightly higher on a go-forward basis, than the amounts previously included there under the mid-range 3% salary increase Scenario.

The 2022 fiscal year forecast as at February 28/22 calls for \$996K in revenue and \$1022K in expenses, which would produce a deficit of \$26K and year-end financial reserves constituting 47% of annual operating expenses, Mr. Pergola concluded.

Item 4(f): Dissemination of 2022 Member Renewal Letters and First Instalment Dues Invoices; and 2022 Associate Renewal Letters and Dues Invoices

Brendan Wycks reported that the 2022 Membership Renewal letters and related first instalment dues invoices had been distributed to members in early March; and he encouraged Board members to confirm that their organizations were in the process of paying their first instalment dues invoices on a timely basis.

Item 4(g): Canadian Premier Life's Acquisition of Sun Life's CPI Business; and Resulting Loss of Sun Life as a CAFII Member After 2022

Brendan Wycks highlighted for Board members' information the fact that CAFII had learned that Sun Life had recently sold its CPI business to Canadian Premier Life; and, pending regulatory approval which was expected later in 2022, that would mean that Sun Life would no longer be in the CPI business. Therefore, CAFII was expecting to lose Sun Life as a member of the Association at the beginning of the 2023 membership/fiscal year.

Item 5: Strategy Setting and Implementation; and Regulatory Matters

Item 5(a): Next Steps on Deloitte Canada Research Paper on "Best Practices In The Digitization Of Credit Protection Insurance": Recommendation from EOC Re Public Release/Publication of Results

Research & Education Committee Chair Andrea Stuska and Keith Martin reported that the EOC had endorsed a proposed plan for the selective public release of components of the Deloitte Canada thought leadership paper research results.

The Board was now being asked to formally the EOC's recommendation for a selective public release of the research results, which was in line with the strategic plan objective to use research to enhance CAFII's proactive communication with regulators, and to enhance our public profile including on the CAFII website.

On a motion duly made, seconded, and unanimously carried IT WAS RESOLVED that:

1. *A slightly modified version of the Powerpoint deck presented to the CAFII Board should be presented in a Deloitte Canada webinar for insurance regulators and policy-makers;*
2. *A slightly modified version of the Powerpoint deck presented to the CAFII Board should be presented to allied industry Association representatives (CLHIA, THIA, CBA);*
3. *A slightly modified version of the Powerpoint deck presented to the CAFII Board should be publicly posted on the CAFII website, along with a press release to industry press; and the highlights of that Powerpoint deck should also be displayed on the CAFII website via a visually-pleasing info-graphic designed by a graphic designer;*

4. *The detailed MSWord document produced by Deloitte Canada should be for the exclusive information and use of CAFII member representatives and should not be publicly released or shared with non-CAFII members;*
5. *At the time of the news release, CAFII will explore having Deloitte Canada share the public documentation through its marketing platforms;*
6. *Deloitte Canada will make an entirely optional offer to CAFII members to make customized presentations to them of how the research best applies to their organizations.*

[Action Item: Implement the Board resolution around public release of selective components of the Deloitte Canada thought leadership paper research results; B. Wycks, K. Martin, June 30, 2022.]

Item 5(b): CAFII's Next Steps on AMF Credit Card-Embedded Insurance Benefits Issue

- i. **AMF's Consideration of CAFII's January 17/22 Submission on Proposed Wording Modifications to Fact Sheet and Notice of Rescission to Make Them Fit Credit Card-Embedded Insurance Benefits**

Keith Martin provided an overview of the history of this file, noting that in January 2022 CAFII had submitted to the AMF its proposed wording modifications to the Fact Sheet and Notice of Rescission to make them appropriate to distribute to the holders of credit cards with embedded insurance benefits. CAFII is now waiting for the AMF to respond to its proposed wording modifications.

- ii. **AMF's Plans for Issuing Feedback Letter to The Industry With Respect to December 17/21 Action Plans Submitted for Bringing Credit Card-Embedded Insurance Benefits into Compliance with AMF's RADM-Based Expectations**

Keith Martin provided a background context update to the AMF's recent delivery of a feedbackletter to the industry on the Action Plans which relevant insurers submitted on December 17 of last year, in order to bring credit card-embedded insurance benefits into compliance with the regulator's expectations arising from its Regulation respecting Alternative Distribution Methods, or RADM. The April 1/22 letter was sent to CAFII, with relevant/affected insurers being blind-copied on it.

Item 5(c): Insights Gained from February 17/22 Meeting with FCAC Staff Executives for Feedback on How CAFII's Submission on Consultation on Proposed "Guideline on Appropriate Products and Services for Banks and Authorized Foreign Banks" Has Resonated with FCAC and Influenced Final Version of the Guideline (Released February 24/22)

Keith Martin reported that CAFII had made significant headway in enhancing its profile with the FCAC and sharing the unique characteristics of the CPI industry. The FCAC had asked CAFII for several meetings to discuss issues related to its Proposed "Guideline on Appropriate Products and Services for Banks and Authorized Foreign Banks, including a 17 February, 2022 meeting at which the FCAC shared the major elements of its pending final version of the Guideline. That final version included some important modifications to the previous version's language; and, as well, two FCAC staff executives communicated to CAFII's Co-Executive Directors that ensuring the appropriateness of a financial product – including an Authorized Insurance Product -- did not necessarily require a needs analysis, which is an important concession for CAFII given that its members' employee typically are not provincially/territorially licensed to provide advice to consumers in connection with an offer of credit protection insurance or travel insurance.

Item 5(d): Insights Gained From CAFII/CLHIA/THIA Biweekly Meetings Re Impact of COVID-19 on Travel and the Travel Insurance Industry

Brendan Wycks provided an overview of the insights gained from the biweekly meetings of CAFII, CLHIA, and THIA on the impact of COVID-19 upon travel and the travel insurance industry, noting that there were fewer issues at play recently, as there had been no recent CLHIA or THIA meetings with Global Affairs Canada.

Item 5(e): Highlights of EOC-Approved 2022 Scope of Work Proposal from Operatic Agency Re CAFII Website and Search Engine Optimization Results Enhancements

Media Advocacy Chair Jacqlyn Marcus provided an overview of the EOC-approved 2022 Scope of Work which had been proposed by CAFII's website firm Operatic Agency, which included one new website video this year rather than two, with the funds thereby freed up being used to enhance the French section of the Association's website, along with continued work on search engine optimization, FAQs, and Google My Business enhancements.

In response to a question as to the timing of the approved website enhancements, Keith Martin stated that the subject of the new 2022 video would likely be the results of the recent Deloitte Canada thought leadership research on Best Practices in the Digitization of CPI, and it would be targeted for the fall of 2022, with the other deliverables coming on stream throughout the 2022 calendar year.

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status May 13, 2022
		Association Strategy, Governance and Financial Management			
1	EOC and Board: October 2019	Launch CAFII EOC Working Group to Explore a New Lower Dues Category of CAFII Membership, via a first meeting and a draft Terms of Reference for this Working Group.	B. Wycks/K. Martin	31-Dec-22	In progress/ See #2
2	BOD: June 9, 2020	Revisit the launch of the CAFII Working Group On A Proposed Lower Dues Category Of CAFII Membership once the economic environment stabilizes, via a first meeting and a draft Terms of Reference for this Working Group.	K. Martin	31-Dec-22	In progress
3	EOC May 29, 2018	Develop a summary job description for the CAFII EOC Chair role and circulate it to EOC Members.	B. Wycks/K. Martin	31-Dec-22	In progress
4	EOC February 27, 2018	Document in writing the process for reviewing, approving, and admitting applicants for CAFII Members and Associate status	B. Wycks	31-Dec-22	In progress
5	BOD April 12, 2022	Consult with CCIR & CISRO to find a date for holding the in-person CAFII 25th Anniversary celebration that maximizes regulators participation	B. Wycks/K. Martin	30-Apr-22	Completed
6	BOD April 12, 2022	Implement the Board resolution around public release of selective components of the Deloitte thought leadership paper research results	K. Martin/B. Wycks	30-Jun-22	In Progress
7	BOD April 12, 2022	Work with CAFII's Treasurer and assigned Controller to wind down the Restricted Fund and transfer its residual monies into the Association's General Fund during the Association's 2022 fiscal year	B. Wycks/K. Martin	31-Dec-22	In Progress
		Regulatory Initiatives			
8	EOC October 26, 2021	Organize a meeting of the Market Conduct and Licensing Committee to review the CCIR document on adoption of the FTC guidance	K. Martin/B. Wycks	30-Jun-22	In Progress

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Regulatory Update – CAFII Executive Operations Committee, April 22, 2022

Prepared By Brendan Wycks, CAFII Co-Executive Director

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Federal/National

Canadian Bankers Association (CBA)

CBA Survey Provides Insights Into Consumers' Digital Preferences

On April 4/22, Insurance Portal published the following article highlighting the results of recent Canadian Bankers Association (CBA) research:

The results of a new Canadian Bankers Association-commissioned survey of 4,000 Canadians put numbers to trends also being seen in the insurance industry. Namely, widespread migration to digital technologies, driven by the pandemic, has accelerated changes to the way Canadians do their banking.

The survey found that 78 per cent are using digital channels, both online and app-based, to conduct most of their banking, up from 68 per cent in 2016.

Mobile Apps

Nine out of ten or 89 per cent reported using online banking in the last year. Half say that that is their most common banking method. The use of mobile app-based banking was also up, with 65 per cent saying they used banking apps in the last year, up from 56 per cent in 2018 and up from 44 per cent in 2016.

Broken down, nearly half of Gen Z respondents and well over a third of millennial respondents say apps are their leading banking method. When all demographic groups are combined, app use drops to 29 per cent.

"The broad-based shift towards online and mobile banking has gathered momentum during the pandemic. Consumers under the age of 30 are the main drivers of this trend," the study indicates. "Digital-first customer preferences are likely to become more entrenched in the years ahead." The CBA survey results also indicate that 86 per cent trust their bank to offer secure services. A slightly higher number, 87 per cent said they trust banks to protect their personal information.

High Satisfaction Levels

How Canadians Bank is a bi-annual study conducted for the CBA by Abacus Data. The study's results indicate that 93 per cent of Canadians are satisfied with online banking. A very similar number, more than 90 per cent, said they were also satisfied with in-person banking.

"Customers want a digital-first approach to their financial transactions, in real-time, from anywhere, on a reliable and secure network," Abacus Data stated. "Significant investments in modernization have helped banks in Canada anticipate and meet the evolving preferences of their customers."

The survey also looked at the role of cash, trust in banking innovation, and digital currencies. More than half of consumers, 56 per cent, led by younger Canadians, said they would consider using a private cryptocurrency in the future. More than one-third, or 36 per cent, of consumers added that they expect to be using an alternative currency within five years.

Canadian Council of Insurance Regulators (CCIR)

CCIR's Fall 2022 Meeting Slated To Be Two Day In-Person Gathering

Tony Toy, CCIR Policy Manager, has advised CAFII that CCIR's Fall 2022 meeting is slated to be a two-day in-person meeting on Thursday, October 21 and Friday, October 22, at the end of a series of national regulatory authority meetings known as "Regulators' Week."

The full Regulators' Week is currently slated to take place from October 18 to 22/22 in Charlottetown, PEI. However, there is a possibility that the CCIR meeting on Thursday and Friday, October 21 and 22 may be shifted to Toronto, as some CCIR member representatives who will be attending have raised as concerns about the fact that there are currently no direct flights available from their home cities to Charlottetown; and about the overall cost of return airfare for travel from Western Canada, for example, to Charlottetown.

CCIR Strikes 2023-26 Strategic Plan Committee

In its February 2022 Communique newsletter, CCIR announced that it had struck a Strategic Planning Committee to work on its 2023-26 Strategic Plan.

CCIR expects to engage with key industry stakeholders on a draft of the new Plan this Fall. Tony Toy, CCIR Policy Manager, has advised CAFII that CCIR's consultation with the industry on the new Plan will include an in-person meeting in Toronto, to be held in late October or early November.

CCIR Appoints Eric Hiemstra As Chair Of OmbudServices Oversight Committee

In its February 2022 Communique newsletter, CCIR announced that Erica Hiemstra, Head, Insurance Conduct, at the Financial Services Regulatory Authority of Ontario (FSRA) had been appointed the new Chair of OmbudServices Oversight Committee (OOSC). Ms. Hiemstra replaces Chris Carter of BCFA. Members of the CCIR extended their appreciation to Mr. Carter as he now takes on the Chair of the Climate Change, Natural Catastrophes & Consumer Awareness Working Group.

Canadian Foundation For The Advancement Of Investor Rights (FAIR Canada)

FAIR Canada Issues Coalition Letter To Finance Minister on Strengthening Bank Complaint Handling

On February 24/22, the Foundation for the Advancement of Investor Rights (FAIR Canada) issued an open letter titled "Strengthening Canada's Complaint-Handling System for Bank Customers" to federal Finance Minister Chrystia Freeland, on behalf of the Coalition of Concerned Consumer Advocates, calling on her to take action to establish a designated, single ombuds organization to handle consumer complaints.

Dear Minister Freeland:

As concerned financial consumer advocates, we are calling on you, Minister Freeland, to designate the Ombudsman for Banking Services and Investments (OBSI) as the single, ombuds organization with binding authority to make recommendations over the banks. We encourage you to act expeditiously on this critical government commitment in 2022.

The broad consensus is that the current framework for complaint-handling is not working for many financial consumers and there is an urgent need for improvement. We are therefore encouraged that Prime Minister Trudeau, in his December Mandate Letter, specifically requested that you establish, on a priority basis, “a single, independent ombudsperson, with the power to impose binding arbitration, to address consumer complaints involving banks.”

While the Mandate Letter’s reference to “arbitration” is unclear, the need for a single ombudsperson with binding decision-making power in Canada is a clearly stated issue that we strongly support. Mandating a single not-for-profit ombudsperson would be beneficial in improving the complaints-handling outcomes for Canadian banking customers, particularly those who lack the capacity, time and/or resources to successfully navigate an opaque and confusing complaint resolution landscape with multiple players with diverse interests. This is an important objective that many of us, together with other investor and consumer advocates, have been urging industry, regulators and governments to implement for more than 10 years.

Designating OBSI under the Bank Act and providing it with the authority to make binding decisions on banks is necessary to advance consumer protection, improve access to justice, and foster fairness and confidence in Canada’s banking sector. More specifically:

- *The OBSI is a well-established, independent organization that has been providing dispute resolution services to Canadian financial consumers for 25 years.*
- *Throughout the complaint-handling process, the OBSI provides more transparency and is directly involved with helping consumers resolve their issues.*
- *As a non-profit ombudsperson, the OBSI offers consumers a less complicated system and has demonstrated its ability to provide a quality, complaint-handling service.*
- *The OBSI already handles complaints for banks, investment dealers and advisors, and credit unions across Canada.*
- *The OBSI’s complaint handling services provided today are reflective of many international best practices.*

This approach will also:

- *Eliminate the potential for banks to ignore the ombudsperson’s recommendations or offer low-ball settlements that leave many customers feeling dissatisfied at the end of an arduous, stressful and time-consuming process.*
- *Remove the ability of banks to choose the External Complaint Body (ECB) that they feel will produce the most favourable result (customers in the current system cannot choose the ECB).*

- *Reduce the incentive for customers to avoid raising a legitimate complaint because there's a perception that the system is biased in favour of the banks.*
- *Enhance the consumer-protection system at the federal level, which would also serve as a good example for provincially regulated financial services.*

Thank you for your consideration of our views. We would be pleased to assist your office, the Department of Finance, and the Financial Consumer Agency of Canada move this issue forward in any way we can, as well as other reforms designed to improve our current complaint-handling system.

In addition to FAIR Canada, the other members of the Coalition of Concerned Consumer Advocates are Canadian Association of Retired Persons (CARP); CanAge; Prosper Canada; Option consommateurs; Public Interest Advocacy Centre (PIAC); Kenmar Associates; Consumers Council of Canada; and Union des consommateurs.

Financial Consumer Agency of Canada (FCAC)

FCAC Issues Consumer Advisory On “Your Banking Rights and Upcoming New Protections”

On April 6/22, the Financial Consumer Agency of Canada (FCAC) issued a consumer advisory on its website titled “Your Banking Rights and Upcoming New Protections.” That advisory reads as follows:

Current protections for bank customers

Under current federal laws and regulations, banks must comply with consumer protections. These protections help to ensure that Canadians have access to basic banking services and are treated fairly in their dealings with banks.

They include your right to:

- *open a personal account at any bank*
- *cash a Government of Canada cheque for free at any bank with proper identification*
- *receive clear and simple information that is not misleading about the products and services banks offer you*
- *only get products and services you've provided express consent to*
- *have your issues resolved through a bank's complaint-handling process*

New and enhanced protections

As of June 30, 2022, you'll benefit from new and enhanced protections in your dealings with banks.

The protections are part of Canada's new Financial Consumer Protection Framework (the Framework). They apply to customers of banks, authorized foreign banks, and federal credit unions.

Enhanced disclosures

Banks will have to disclose more information to you about your day-to-day banking. This will help you make informed and timely decisions about your finances and protect you from financial harm.

For example, banks will have to provide:

- *new electronic alerts to help you avoid missing payments or spending over your credit limit, which can lead to unnecessary fees*
- *timely reminders to help you decide if you want to renew or cancel your products or services, including information on any rates or fees that apply*
- *separate agreements for optional products and services, such as credit card insurance, to help you better understand how they work, how much they cost, and how to cancel them*

Enhanced complaint-handling procedures

All banks must have procedures to handle complaints and resolve customer problems. They include access to an independent and impartial review by an external complaints body (ECB). You have a right to bring your complaint to an ECB when your bank has not been able to resolve it in a timely way or if you are unsatisfied with the bank's response.

Under the Framework, banks and ECBs will have to strengthen their complaint-handling procedures.

One important new requirement is that banks will have to deal with your complaint within a specific period – 56 days.

The changes will help you get your issues resolved in a more timely and effective way.

Other measures to better protect bank customers

The Framework will better protect you in several other important ways.

For example, it includes new obligations on banks such as having to:

- *offer and sell you products or services that are appropriate for you*
- *provide you with a refund for charges or penalties that were not disclosed to you, or that you didn't agree to*

Banks will also have to improve existing protections that require them to:

- *avoid misleading you or applying undue pressure when selling you products and services*
- *obtain your express consent before providing you with products or services*

Banks will also have to improve their business practices, such as by:

- *setting up a whistleblowing program for their employees to report wrongdoing*

- *creating a committee of their board of directors to make sure that they're complying with their obligations to their customers*

Banks will also have to cash, free of charge, Government of Canada cheques of \$1,750 or less with proper identification. The current maximum amount is \$1,500.

Canada's new Financial Consumer Protection Framework

In 2018, the Government of Canada adopted legislation to modernize the Financial Consumer Protection Framework in the Bank Act. The Framework introduces new and enhanced protections to advance your banking rights and interests, which will take effect on June 30, 2022.

The legislation also provides the Financial Consumer Agency of Canada (FCAC) with more powers to better protect you in your dealings with banks. FCAC's new powers came into force in April 2020. They include the power to:

- *impose a penalty of up to \$10 million on banks that commit serious violations of their legal obligations*
- *direct banks to take actions to comply with their legal obligations*
- *direct banks to undergo a third-party, independent audit to comply with their legal obligations*

The Framework addresses issues raised by FCAC in its reviews of the banking industry. The reviews highlighted key areas where consumers of banking products and services could be better protected, and the oversight of banks could be strengthened.

The Framework is also based on extensive consultations with stakeholders across Canada.

FCAC Commissioner Issues Statement on "Breaking Gender Bias In The Financial World"

On March 8/22, FCAC Commissioner Judith Robertson issued via the Agency's website a Statement on "Breaking Gender Bias In The Financial World," which reads as follows:

Statement

Over the course of my professional life, I have experienced the benefits of having women in leadership roles and developed greater recognition of the importance of gender equality. As the Commissioner of the Financial Consumer Agency of Canada (FCAC), I know that a continued and renewed focus on bridging the gender gap will also benefit financial consumers.

The Government of Canada's theme for International Women's Day 2022 is "Women Inspiring Women," and the international theme is "Break the Bias." We are asked to envision "a world free of bias, stereotypes, and discrimination... that is diverse, equitable, and inclusive." Through our National Financial Literacy Strategy, FCAC recognizes these important issues and calls on all stakeholders in the financial ecosystem to adopt approaches and tailor programs for women, especially those belonging to communities facing financial vulnerability. The National Strategy promotes a financial ecosystem that is accessible, inclusive, and effective for all Canadians, especially those most in need due to barriers or personal circumstance, which includes women.

Women face unique challenges, including systemic and societal barriers in the financial marketplace. For example, women business owners face greater barriers to accessing financing and are more likely to be rejected or receive less funding than men. Women were also disproportionately affected financially because of the pandemic. And there remains a gender gap in the labour force, particularly for Indigenous, immigrant and racialized women.

For our part, FCAC is conducting research to better understand how we can tailor our activities to help women build financial resilience. As an example, we have recently launched a financial literacy intervention among high school students, since building financial confidence is crucial for young women at this age.

It's encouraging to know that Canada's banking industry is ahead of the curve when it comes to women in leadership roles. Let's hope the trend continues at the executive level. And it's great to see organizations like Women in Capital Markets and the University of Waterloo's Women in Finance initiative promote equity, diversity and inclusion and strive to bridge the gender gap within the finance sector.

So, let's continue to work together to inspire women and create more opportunities to break the bias.

Provincial/Territorial British Columbia

BC Financial Services Authority (BCFSA)

BCFSA Imposes Penalties on Travel Insurers Involved in BC Secondary School Trip Cancellations

On February 17/22, BCFSA issued a news release announcing that two companies involved in travel insurance for secondary school trips had been disciplined for their conduct related to COVID-19 trip cancellations.

Between January and March 2021, BCFSA began receiving complaints regarding issues with insurance claims for cancelled school trips because of COVID-19 in March 2020. An investigation found that Worldstrides sold travel insurance in B.C. without a license and Old Republic facilitated that activity, in contravention of the *Financial Institutions Act*. Policyholders experienced significant delays in claims processing due to a dispute between the companies.

"BCFSA expects insurers to treat consumers fairly and to have the necessary oversight and control over parties selling their products," said Blair Morrison, Superintendent of Financial Institutions. "These cases are illustrative of the harm that can arise from inadequate oversight and control."

The Superintendent issued notices of administrative penalties of \$40,000 for Old Republic and \$35,000 for Worldstrides.

Notices of those administrative penalties can be found on the BCFSA website here:

- [Worldstrides - Notice of Administrative Penalty](#)
- [Old Republic - Notice of Administrative Penalty](#)

Insurance Council of British Columbia

Insurance Council Issues New Guidelines For Life Insurance Agencies

On April 8/22, the Insurance Council of BC posted on its website an announcement about the launch of its newly created *Guidelines for Life Insurance Agencies: Role and Responsibilities in the Distribution of Life Insurance in British Columbia*.

The announcement indicated that the Council had updated its guidance on expectations for life insurance agencies in the distribution of life insurance in British Columbia. The new *Guidelines for Life Insurance Agencies: Role and Responsibilities in the Distribution of Life Insurance in British Columbia* replace the guidance previously outlined in Notice ICN 12-001 *Role and Responsibilities of Managing General Agents ("MGA") in the Distribution of Life Insurance in British Columbia*.

The Insurance Council issued guidance in 2012 regarding the role of MGAs in the distribution of life insurance products. Since then, the Insurance Council has found that there are differing interpretations of the roles and responsibilities of life insurance agencies holding different insurer/agency contracts. This has resulted in inconsistent compliance and oversight of the distribution of insurance by life insurance agencies.

The new *Guidelines for Life Insurance Agencies* apply to all life and/or accident and sickness insurance agencies involved in the distribution of insurance, including, but not limited to those that hold MGA contracts with insurers. Nominees are expected to be aware of and familiarize themselves with this updated guidance.

The updated *Guidelines* outline the roles and responsibilities of life insurance agencies in the distribution of insurance, and expand upon the following:

- clarification regarding the overall role of agencies in the distribution of insurance;
- factors that agencies should consider in determining a life agent's suitability and risk;
- assessment of ongoing monitoring practices to manage risks effectively; and
- reporting requirements of conduct concerns related to the suitability of an agent to the Insurance Council.

Regulatory requirements Council Rule 7(6) sets out the nominee's responsibility to the Insurance Council for all activities of the insurance agency. Nominees must ensure that the agency and its licensees are appropriately supervised, and there are sufficient procedures to facilitate compliance with Insurance Council requirements.

Sections 7 and 8 of the Insurance Council's Code of Conduct set out licensees' (including agencies') duty to clients and insurers with whom they transact business. Agencies should ensure that life agents are suitable and competent before facilitating or recommending they hold a contract with an insurer. When considering ongoing monitoring practices, agencies must put the best interests of the client as their first concern and ensure that clients' needs are properly served.

Insurance Council Launches Updated Council Rules Course

On February 22/22, the Insurance Council of BC announced on its website that starting March 15/22, the Council's Insurance Council Rules Course will be offered through its online portal. The course is a prerequisite for all new Insurance Council licence applicants and can also be taken by licensees to count towards their continuing education (CE) requirements.

The course is delivered in two streams, one tailored for general insurance and adjusters, and the other for life and/or accident & sickness insurance licensees. Those courses were previously offered by the Insurance Brokers Association of BC (IBABC) and Advocis respectively, but will no longer be offered by those organizations after March 15/22.

The new Insurance Council Rules Course is an updated version that includes revisions and the most current information about licensee requirements and regulatory information. Both versions of the course will be provided solely by the Insurance Council, enabling timely updates regarding regulatory or other licensee requirements to keep course content current.

Although current licensees are not required to take the course, the Council does strongly encourage licensees to do so as it will provide a refresher and overview of the latest updates, as well as two CE credits towards annual CE requirements.

Alberta

Alberta Government

Alberta Introduces New Insurance Legislation

On April 20/22, Insurance Business Canada published the following article about the Alberta government's introduction of new insurance legislation.

The provincial government of Alberta has proposed a new Bill to help "diversify" the region's insurance sector.

The Insurance Amendment Act 2022 (Bill 16) would help enable easier access to re-insurance in Alberta. According to a release on the government's website, increasing the availability of re-insurance "should have a positive impact on the overall insurance supply in the provincial market." In turn, this would help ease insurance shortages and high prices, while better positioning traditional insurers in serving Alberta clients, the government added.

Bill 16 would also add the final touches to insurance rules before the province welcomes captive insurers. The amendment to the province's recently passed Captive Insurance Companies Act will facilitate a seamless relocation of foreign captives into Alberta, so that businesses in the province with offshore captives do not have to worry about any interruptions, a government release said. The new section on captive "re-domestication" will contain instructions for the relocation process, an outline of responsibilities for owners, as well as a list of mandatory documentation and other procedural requirements.

The Captive Insurance Companies Act was first proposed last October.

"Alberta is creating opportunities in every sector of our rapidly growing economy," said Alberta Treasury Board President and Minister of Finance Travis Toews in a statement. "To this end, we're delivering a regulatory framework that will help generate more insurance activity right here in Alberta – leading to more opportunities for Albertans in sophisticated finance and insurance positions, and boosting the investment potential of our entire financial services sector."

Ontario

Financial Services Regulatory Authority of Ontario (FSRA)

FSRA Approves First Four Credentials For Ontario's Title Protection

On April 11/22, Investment Executive published the following article about the Financial Services Regulatory Authority of Ontario (FSRA):

The Financial Services Regulatory Authority of Ontario (FSRA) has approved the first credentialing bodies for "financial planner" and "financial advisor" titles, the regulator said in a release on Monday, April 11.

FSRA approved FP Canada as a credentialing body, based on its certified financial planner (CFP) and qualified associate financial planner (QAFP) designations. Industry professionals with one of those designations are permitted to use "financial planner."

FSRA also approved the Institute for Advanced Financial Education (a subsidiary of Advocis) as a credentialing body. Professionals with the chartered life underwriter (CLU) designation are permitted to use "financial planner," and those with the professional financial advisor (PFA) designation can use "financial advisor."

“Existing holders of these FSRA-approved credentials, who are in good standing with their respective credentialing body, may continue to use the financial planner and/or financial advisor titles in Ontario without interruption,” the regulator said in a background document.

The regulator will focus this year on approving credentialing bodies and helping them implement the title protection framework. To that end, the regulator is “actively” reviewing other applications, the release said, and will announce additional credentialing bodies and designations on its website as they’re approved.

Those using “financial planner” or “financial advisor” on or before January 1, 2020 can continue to use the titles during a transition period of four years for “financial planner” and two years for “financial advisor” from the date the legislation came into force (March 28, 2022).

During this period, such individuals must determine whether their existing designation or licence is approved by a FSRA-approved credentialing body. If it isn’t, they must get an approved designation or license from an approved credentialing body before the transition period ends (or stop using the title).

Those who started using one of the titles after January 1, 2020 can no longer do so until they get an approved designation or licence.

FSRA has authority to issue compliance orders against individuals who use the titles without approved credentials. However, the regulator said non-compliant title use may be unintentional throughout 2022. As such, enforcement will focus on “responding to consumer complaints and protecting consumers from harm by requesting non-compliant title users to voluntarily cease title use within 30 days,” the backgrounder said.

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Regulatory Update – CAFII Executive Operations Committee, May 15, 2022

Prepared By Brendan Wycks, CAFII Co-Executive Director

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CLHIA Issues Advisory On Mandatory Destination-Provided Travel Health Insurance

On April 1/22, CLHIA issued an Advisory titled “What you need to know about mandatory destination-provided travel health insurance.”

That Advisory reads as follows:

Planning to travel abroad? Be aware that some countries have begun to require Canadian travellers to purchase mandatory travel health insurance as a condition of visiting. This insurance must be purchased from a specified insurer.

The coverage offered by mandatory destination-provided travel health insurance may differ significantly from other forms of travel insurance. For instance, it may not provide sufficient coverage for hospitalization, and additional living expenses in quarantine. It may also exclude coverage for conditions or accidents unrelated to COVID-19.

For this reason, travellers are encouraged to carry Canadian travel insurance when travelling abroad.

Consider these steps:

- *Research the current entry requirements for your destination to find out if travellers are required to purchase insurance at destination. The International Air Transport Association provides a helpful [resource](#).*
- *If you are required to purchase other insurance, it is recommended you also have Canadian travel insurance as the foreign coverage may be very limited.*
- *Read your insurance policy carefully to understand what is covered and the relevant exclusions and limitations. If you have questions, contact your insurer.*

Know what you are heading into. Check the Government of Canada’s travel advisories for your destination so you can make informed decisions and travel safely to and at your destination. The latest advisories are at travel.gc.ca/travelling/advisories.

Register your trip (Register of Canadians Abroad: travel.gc.ca/register) so the Canadian government can keep you informed while you are abroad.

Financial Consumer Agency of Canada (FCAC)

FCAC Publishes 2022-2023 Business Plan

The FCAC has recently published on its website its 2022-2023 Business Plan. The following *Message from the Commissioner* Judith Robertson introduces and summarizes the Business Plan:

I am pleased to present the 2022–2023 Business Plan for the Financial Consumer Agency of Canada (FCAC). It provides information on our planned initiatives, the results we expect to achieve during the upcoming fiscal year, and how we will advance the Agency’s strategic goals set out in our 2021 to 2026 Strategic Plan.

As we embark on this ambitious plan, we are mindful that the COVID-19 pandemic has resulted in many challenges for Canadians, particularly the most vulnerable.

The plan reflects the multi-year nature of our investments and new initiatives. One of the challenges at this uncertain time is how to continue progressing as an Agency while remaining flexible and adaptable in the face of a changing environment. To that end, we have identified 4 critical priority areas that are fundamental to fulfilling our mandate and will guide our decisions.

Our first priority area is to advance the new Financial Consumer Protection Framework (FCPF). This marks an important milestone for financial consumer protection in Canada and the plan recognizes the importance of the FCAC building the capacity to implement this higher standard of financial consumer protection.

Our second priority area is to advance the goals of the National Financial Literacy Strategy. The pandemic has underscored the need to produce better outcomes for financial consumers, adding urgency to our work with stakeholders in the financial ecosystem to help Canadians build financial resilience. The plan reflects the need for important progress through a nationally co-ordinated and evidence-based approach.

Our third priority area is to enhance our ability to contribute our consumer protection expertise to policy development. This includes supporting the federal government's commitment to move to a single external complaints ombuds for banking and to launch a made-in-Canada model of open banking. We will also expand our research capacity to monitor and evaluate emerging consumer trends.

Our fourth priority area is to enhance our capacity to be responsive to an increasingly digital world, where technology and data are reshaping how financial products and services are created, sold and used. Throughout this plan there is a focus on advancing our data and analytics strategy and ensuring that our people have the necessary tools to derive new insights and conduct the important work of the Agency.

Beyond the 4 priority areas and the specific initiatives and activities outlined in the plan, we will continue to enhance and advance FCAC's core functions—that is, the important daily work to protect, supervise and educate—which enable the Agency to fulfill its legislated requirements, as set out in the Financial Consumer Agency of Canada Act and other statutes.

Our diverse and talented employees are the foundation for this plan, and I am committed to providing them with the support and resources they need to continue serving the interests of Canadians with operational excellence. Underlying all our work is an inclusive organizational culture of innovation, collaboration and excellence. We remain focused on our people's well-being and on enhancing the tools, business processes and organizational functions that support their service to Canadians.

The uncertain external environment has underscored the importance of FCAC's work to protect financial consumers and strengthen their financial literacy. FCAC's 2022–2023 Business Plan demonstrates that we are ready to overcome the challenges and capitalize on the opportunities before us.

Provincial/Territorial Alberta

Alberta Government

Alberta Government Legislates Greater Fee-Setting Discretion For Insurance Council

Effective February 23, 2022, the Alberta government amended the province's Insurance Act to authorize the Minister of Finance to establish fees associated with the regulation of insurance professionals, outside of regulation.

Previously, fees could only be set by Order in Council.

In accordance with the amended section 498.1 of the Act, the Minister has also sub-delegated fee-setting authority to the Alberta Insurance Council (AIC) and Accreditation Committee (AC), through Ministerial Directive, in order to give those two bodies greater discretion and flexibility. This authority includes the power to set:

- fees for examinations and licensing of insurance professionals, as well as continuing education courses and providers; and
- levies, penalties, or other charges associated with the regulation of insurance professionals.

Any fees set by the AIC and AC under this authority are subject to prior Ministerial approval.

This will allow for greater flexibility in establishing fees associated with the regulation and licensing of insurance professionals.

Manitoba

Insurance Council of Manitoba (ICM)

Insurance Council Publishes Restricted Insurance Agent Summary Of Obligations

In its Spring Update 2022 e-newsletter, the Insurance Council of Manitoba published the following Restricted Insurance Agent Summary of Obligations on its website:

The RIA Summary of Obligations, which identifies the responsibilities of the Designated Official, as outlined in The Insurance Act of Manitoba (the "Act") and Regulation 389/87R, is now posted to the ICM website under the Restricted Insurance Agents - Incidental Sale of Insurance Information page.

Things that an RIA licence holder must NOT do are listed under section 30(2) of Regulation 389/87R and include the following:

- tied selling – an RIA licence holder must not make the provision/sale of the goods or services conditional on the consumer's purchase of insurance;

- Adequate training – an RIA licence holder must not allow anyone to sell on their behalf unless that person has been adequately trained; and
- Purchase Required – an RIA licence holder must not permit an employee to tell a consumer that the consumer is required to purchase insurance, or is required to purchase insurance only through them.

Failure to abide by any of the ICM's requirements may result in the cancellation of the RIA licence and/or disciplinary action being imposed upon the RIA. Disciplinary actions may include fines or a review of the suitability of the RIA to hold a licence.

Insurance Council Publishes Licensee Statistics In Spring 2022 Newsletter

In its Spring Update 2022 e-newsletter, the Insurance Council of Manitoba shared the following licensee statistics:

As at December 28, 2021, there were 19,336 active licenses held with the ICM and they break down as follows:

- Residents: 9,980 = 52%; Non-Residents: 9,356 = 48%
- 343 = Insurance Adjusters: 65% are Non-Resident; 35% are Resident
- 6,174 = General Agents: 58% are Non-Resident; 42% are Resident
- 12,208 = Life/Accident & Sickness Agents: 44% are Non-Resident; are 56% Resident
- 611 = Restricted Insurance Agents: 18% are Non-Resident; are 82% Resident

Insurance Council Announces Two New Senior Staff Member Appointments

In ICM's Spring Update 2022 e-newsletter, Executive Director Stacey Aubrey announced the appointment of a new Director of Compliance and a new Manager, Licensing & Administration. Both appointments are internal promotions.

The new Director of Compliance is Ruby Calvez. Ms. Calvez began her insurance career as a general insurance broker in 2002, and has worked for a number of brokerages and agencies throughout Manitoba and Saskatchewan. Her past experience includes holding a Branch Manager role and a Team Leader role.

She holds her Canadian Accredited Insurance Broker (CAIB) designation, has completed the Leadership Excellence Course through Workplace Education Manitoba, and has completed the National Certified Investigator/Inspector Training Specialized Program. She continues to work towards completing her Chartered Insurance Professional (CIP) Designation.

Ms. Calvez joined the Insurance Council of Manitoba as an Investigator in 2017. With her extensive knowledge of the Insurance Act of Manitoba, related Regulations, Rules and Council policies, she has proven her ability to provide oversight and management to her Compliance Department as the newly appointed Director of Compliance.

The new Manager, Licensing & Administration is Sandi Saluk. Ms. Saluk joined the ICM in 2001 and has gained a vast amount of licensing experience during her 20 years in a multitude of positions in the licensing department. Her past experience, prior to joining the ICM, includes a strong customer service background as a Customer Service/Office Supervisor. She is working towards obtaining her Chartered Insurance Professional (CIP) Designation, having completed many CIP courses to date. She has also completed the General Insurance Essentials (GIE) and The Complete Essential People Management Skills courses through the Insurance Institute of Canada, as well as various computer and customer service courses at Red River College. Sandi brings an array of expertise to her department as the Manager, providing her team of five with the knowledge needed to operate a well-oiled licensing machine.

Ontario

Financial Services Regulatory Authority of Ontario (FSRA)

FSRA Releases 2022-2025 Annual Business Plan

On April 26/22, the Financial Services Regulatory Authority of Ontario (FSRA) released its 2022-2025 Annual Business Plan (ABP), which sets out the Authority's strategic direction, priorities, and financial plan for the next three fiscal years.

The priorities outlined in the Annual Business Plan focus on consumer protection and regulatory effectiveness and efficiency, including delivering good value for money.

To support 2022-23's priorities, FSRA is introducing a new Strategic Framework that forms the foundation for its strategic planning through 2025. The Framework is reflective of FSRA's legislative objects, vision, and mission, and consists of four pillars that were used to develop the strategic priorities:

1. operate effectively to be a high-performing regulator
2. transform our regulatory processes to make evidence-based and risk-based decisions
3. protect the public interest to enhance trust and confidence in the sectors we regulate
4. attract talent and evolve our culture to achieve the mission and vision of the organization

The 2022-2025 Annual Business Plan was approved by the Minister of Finance on April 5/22, and addresses the expectations outlined in the Minister's mandate letter.

FSRA Takes Steps To Balance Credit Union Growth With Member Protection

On April 28/22, FSRA released its final *Business and Investment Activities Guidance* as a vehicle for helping to foster a sustainable credit union sector: by balancing the obligation to protect depositors with the need for credit unions to be competitive and take reasonable risks.

The Business and Investment Activities Guidance sets out what it will consider before approving or authorizing new or expanded business and investment activities, variations, and extensions by credit unions.

The *Credit Unions and Caisses Populaires Act, 2020* broadens the scope of eligible activities for credit unions. Credit unions must obtain FSRA's approval or authorization before engaging in certain transactions identified in the Guidance.

"It is important for the credit union sector to know FSRA's criteria for approving new business and investment activities so they can enter new businesses, take risks, and grow prudently while maintaining the confidence of their members and depositors," said Mehrdad Rastan, FSRA's EVP of Credit Union & Insurance Prudential.

FSRA Takes Steps To Ensure Large Credit Unions Have Plans In Place To Better Protect Members

On April 27/22, the Financial Services Regulatory Authority of Ontario (FSRA) released its final Resolution Planning Guidance with respect to large credit unions that do business in the province. The Guidance helps ensure large credit unions with over \$1 billion in assets have a solid resolution plan in place.

"It is critical that credit unions prepare for severely adverse scenarios as disorderly failures may have material impact on the stability and reputation of the sector," said Mehrdad Rastan, FSRA EVP of Credit Union & Insurance Prudential. "No one wants to see a credit union fail but having robust and credible resolution plans in place will enhance confidence in those credit unions and the sector."

The Guidance sets out the principles of effective resolution planning and FSRA's expectation of what constitutes a sound and effective resolution strategy. Credit unions must develop a plan that meets the goals of:

- protecting sector stability;
- ensuring business continuity;
- protecting members and depositors; and
- minimizing exposure of the Deposit Insurance Reserve Fund (DIRF) to losses.

As a result of stakeholder feedback, the final Guidance includes revised interim and final plan submission timelines staggered based on credit union asset size.

FSRA Introduces Whistle-Blower Program For Non-Securities Financial Services And Pension Sectors

On April 27/22, the Financial Services Regulatory Authority of Ontario (FSRA) introduced a new Whistle-blower Program to more effectively identify misconduct in Ontario's non-securities financial services and pension sectors and better protect consumers.

Whistle-blowers are a valuable source of information and this program and new guidance will assist individuals and entities who want to come forward by helping determine who qualifies as a Whistle-blower and who will receive protection.

New amendments to the *Financial Services Regulatory Authority of Ontario Act, 2016* (FSRA Act) provide enhanced protection for Whistle-blowers. The Whistle-blower program will apply to any individual or entity who comes forward in good faith with valuable, timely and non-public (i.e., insider) information related to an alleged or intended contravention in any of the sectors which FSRA regulates.

FSRA's Whistle-blower Program is designed to encourage individuals with important information about misconduct to come forward on a confidential basis without fear of reprisal.

FSRA is required by law to protect Whistle-blowers' identities. This is a result of new amendments to the FSRA Act specifically adopted to:

- protect Whistle-blowers' identities from disclosure; and
- protect Whistle-blowers from reprisals (i.e., being fired, demoted or disciplined, etc.) and from liability in civil proceedings.

Those who do not meet the requirements under the Whistle-blower Program, or who do not receive a written assurance of confidentiality from FSRA, will not be considered Whistle-blowers under the FSRA Act and will not benefit from the protections afforded under the Whistle-blower Program.

Anyone wishing to submit information to FSRA completely anonymously, may do so through their lawyer.

Québec

Autorité des marchés financiers (AMF)

AMF Releases 2022-23 Annual Statement of Priorities

On May 2/22, the AMF released its annual statement of priorities for 2022-2023 to inform the public and various financial sector stakeholders of the main initiatives it intends to implement over the next year.

Among several projects, the AMF plans to devote significant efforts to improving its assistance services for consumers of financial products and services, to financial education, to its monitoring and oversight activities, and to enforcement of laws. It will also continue its work to optimize the compliance burden of its subject customers and will put forward new initiatives aimed at fintechs and innovation.

In addition, the AMF intends to step up its actions to promote the integration of environmental, social and governance (ESG) factors into financial activities and decisions.

The initiatives in the 2022-2023 annual statement of priorities are part of the implementation of the AMF's 2021-2025 Strategic Plan and the vision that the organization has set itself: "An Authority with added value for the consumer and the financial sector."

Quebec Court Acquits Car Dealership Facing AMF Criminal Proceeding Charges

On April 7/22, the AMF published on its website a report that on March 11/22, the Honorable Julie Dionne, presiding justice of the peace of the Court of Quebec, district of Rimouski, had granted a motion for dismissal presented by the defendant 9147-1227 Quebec inc. (doing business as Mont-Joli Chrysler Jeep Dodge).

The car dealership was acquitted of the charge filed against it by the Autorité des marchés financiers (the "Authority") as part of a criminal proceeding. The AMF accused the dealer of having, through its commercial director Stéphanie Dugas, exerted undue pressure on a customer or employee and made fraudulent maneuvers to encourage him to obtain a financial product or service.

The issues in dispute concerned the proof or lack of proof regarding the AMF's claim that Mont-Joli Chrysler Jeep Dodge acted as a distributor of the insurance product in question and mandated its director business to sell an insurance product.

According to the judge, Mont-Joli Chrysler Jeep Dodge cannot be qualified as a distributor within the meaning of the *Act respecting the distribution of financial products and services*, because that role instead relates to the company which granted the financing for the purchase of the vehicle, namely Location Access Credit Inc. Having ruled that the automobile dealer is not a distributor, the judge concluded that the latter could not have entrusted its commercial director with the task of distributing an insurance product.

The AMF does not agree with the court's conclusions and will appeal this decision to the Superior Court.

CAFIL Consultations/Submissions Timetable, 2022-23

Regulatory Issue	Deliverable	Deadline	Accountable
Financial Consumer Agency of Canada (FCAC)	<ul style="list-style-type: none"> CAFIL submission on “Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks” CAFIL meets virtually with FCAC staff executives to present highlights of submission on “Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks” FCAC virtual meeting with K. Martin and B. Wycks to present its decisions on elements in CAFIL’s submission on “Proposed Guideline” FCAC releases final version of “Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks” 	<ul style="list-style-type: none"> January 6/22 January 15/22 February 17/22 February 24/22 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-EDs to monitor
BC Ministry of Finance 10-Year Review of FIA (Public Consultation Paper issued June/15)	<ul style="list-style-type: none"> Revised Financial Institutions Act (FIA) tabled in the legislature CAFIL submission on draft Regulations in support of Revised FIA 	<ul style="list-style-type: none"> October 21/19 Q2 through Q3 2022 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-EDs to monitor
British Columbia Financial Services Authority (BCFSA)	<ul style="list-style-type: none"> CAFIL meeting with BCFSA re “Discussion Paper: Information Security Incident Reporting” CAFIL written submission on BCFSA’s Information Security Incident Discussion Paper (overhauled based on insights from February 24/22 meeting) 	<ul style="list-style-type: none"> February 24/22 March 1/22 	<ul style="list-style-type: none">
AMF Sound Commercial Practices Guideline Update	<ul style="list-style-type: none"> CAFIL submission on updated Sound Commercial Practices Guideline 	<ul style="list-style-type: none"> January 28, 2022 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor
Quebec Bill 141 and Related Regulations (including Regulation Respecting Alternative Distribution Methods, RADM)	<ul style="list-style-type: none"> CAFIL submission on Draft Regulation Respecting Complaint Processing CAFIL makes submission to AMF on wording modifications needed to Fact Sheet and Notice of Rescission to make them fit credit card-embedded insurance benefits CAFIL submission on AMF draft Incentive Management Guideline 	<ul style="list-style-type: none"> December 8/21 January 17/22 February 18/22 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-Eds to monitor
CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers	<ul style="list-style-type: none"> <i>CCIR/CISRO FTC Working Group accepts proposal in CAFIL’s July 2/20 letter</i> CAFIL submission on CCIR/CISRO Draft “Incentives Management Guidance” CAFIL submission on CCIR/CISRO proposed “Incentives Management Guidance” 	<ul style="list-style-type: none"> August 31/20 September 17/21 April 4/22 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-Eds to monitor
FCNB Insurance Act Rewrite and Introduction of RIA Regime	<ul style="list-style-type: none"> CAFIL responds to David Weir follow-up questions re legislative constraints which prevent bank branch employees from being individually licensed to sell travel insurance FCNB Releases “Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations” for consultation, with February 7/22 submission deadline CAFIL submission on FCNB’s “Insurance Act Rewrite: Questions For Industry, Dec. ‘21” CAFIL submission on Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations CAFIL submission on Proposed Rule INS-002: Insurance Fees <u>CAFIL submission on FCNB legislative change proposals re Life Insurance and Accident & Sickness Insurance sections of Insurance Act (informal sounding board consultation)</u> 	<ul style="list-style-type: none"> May 19/21 November 2021 January 31/22 February 7/22 February 18/22 <u>May 20/22</u> 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-Eds to monitor
Financial Services Regulatory Authority of Ontario (FSRA) Regulatory Consultations	<ul style="list-style-type: none"> CAFIL responds to FSRA’s further consultation with submission on Revised UDAP Rule Keith Martin provides qualitative interview input to Environics in response to FSRA consultation on Stakeholder Advisory Committee structure, possible renewal/revision CAFIL responds to FSRA consultation on “Enforcement Proceedings and Investigations” CAFIL responds to FSRA consultation on Proposed 2022-23 Statement of Priorities CAFIL responds to FSRA “Information Guidance on Complaints Resolution” consultation CAFIL submission on FSRA’s “Principles-Based Regulation” consultation document CAFIL submission on FSRA’s “Principles of Conduct for Insurance Intermediaries” <u>CAFIL submission on FSRA’s “Guidance on Use of Retained Revenues”</u> 	<ul style="list-style-type: none"> August 11/21 July 2021 Sept 24/21 October 29/21 February 15/22 April 29/22 May 3/22 <u>May 31/22</u> 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor

Underline = new/updated item since previous publication; **Boldface** = CAFIL response pending; *Italics* = CAFIL meeting with regulators/policy-makers pending

Agenda Item 2(f)
June 7/22 Board Meeting

CAFII Insurance Regulator and Policy-Maker Meetings/Interactions Recap
From April 23/22 To May 12/22

<u>Date</u>	<u>Event/Occasion/Issue</u>	<u>Who</u>
May 2/22	Virtual dialogue and negotiation meeting with David Weir, Senior Technical Advisor, FCNB, and lead on multi-year New Brunswick Insurance Act Re-Write project	Brendan Wycks and Keith Martin met virtually with David Weir, FCNB, at CAFII's request, and successfully persuaded him to accept CAFII's counter-proposed approach with respect to CAFII member representatives' participation in FCNB's informal consultation – with CAFII and CLHIA only -- on legislative change proposals with respect to the Life Insurance and the Accident & Sickness Insurance sections of the province's Insurance Act, under a Confidentiality Undertaking with respect to two related FCNB documents. Mr. Weir was persuaded to grant greater flexibility and permit one representative per each of CAFII's 15 Member companies to participate in the process.
May 3/22	Virtual meeting with two FSRA staff executives arising from Keith Martin's re-appointment to a second term on the FSRA Board's Stakeholder Advisory Committee for the Life and Health Insurance Sector.	Keith Martin met virtually with Swati Agrawal, FSRA's Director, Life and Health Insurers in Insurance Conduct, and Nathan Tam, a Senior Compliance Officer at FSRA to discuss issues of relevance and mutual interest re the FSRA Board's Stakeholder Advisory Committee for the Life and Health Insurance Sector.

May 3/22	<p>CAFII Webinar on “<i>Principles-Based Regulation (PBR); The Emergence of Rule-Making Authority; and How They Work Together: A Complementary, Harmonious Fit Or ‘Dynamic Tension’ For Canada’s Insurance Regulators?</i>”</p>	<p>More than 40 insurance regulators and policy-makers from across Canada registered for this webinar; and more than 35 actually attended. On April 21/22, Benny Cheung, Manager, Strategic Policy at FSRA sent an email request asking permission to forward the webinar invitation to other FSRA staff colleagues “who are also doing the PRB work.” Mr. Wycks responded affirmatively to grant FSRA’s request, and Mr. Cheung then wrote back to express his thanks.</p> <p>Mark White, CEO of the Financial Services Regulatory Authority of Ontario (FSRA), was among the many insurance regulators and policy-makers who attended this webinar; and, after the event, he commended CAFII for staging it, noting that he had found the discussion therein to be of significant value. On May 12/22, a FSRA communications staff member reached out to David Moorcroft, CAFII’s media consultant, and requested permission to excerpt, repurpose, and post a portion of the recording of the CAFII webinar on FSRA’s own website.</p>
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April 22/22	Sounding board virtual meeting with Tony Toy and Raseema Alam, CCIR Secretariat, re CAFII's plans to hold an in-person 25 th Anniversary celebration event in Toronto in 2022.	Building upon their April 19/22 preliminary sounding board virtual meeting with April Stadnek and Ron Fullan of ICS and CISRO, Brendan Wycks and Keith Martin held a follow-up (30 minutes) virtual sounding board meeting with Tony Toy, CCIR Policy Manager, and Raseema Alam, CCIR Secretariat staff member, to obtain their advice on how CAFII can best schedule an in-person CAFII 25 th Anniversary Celebration in Toronto in 2022 on a date which maximizes the possibility of attendance by insurance regulator and policy-maker invitees from across Canada.
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***Agenda Item 2 (g)
June 7/22 Board Meeting***

Committee Reports Addressing CAFII Priorities

Media Advocacy Committee — Chair: Jacqlyn Marcus

CAFII has produced a first draft of a Guideline on Members' Utilization of CAFII Videos On Their Own Corporate Websites. That draft was vetted with the EOC at its May 17/22 meeting and some minor tweaks and enhancements were proposed. The draft Guideline will now be revised and brought back to the EOC for approval at its June 28/22 meeting.

A press release and other public-facing initiatives are being implemented in relation to the CAFII-commissioned Deloitte research project on best practices in the digitization in CPI (see Agenda item 5(a)).

CAFII has recently posted the now-completed website video on job loss CPI, and the separate video on consumer protections built into CPI is currently being finalized.

We are now focusing on the production of a new website video on the findings of the Deloitte research project on best practices in the digitization of CPI.

Research & Education Committee — Chair: Andrea Stuska; Vice-Chair: Michelle Costello

With the CAFII-commissioned research project on best practices in the digitization of CPI coming to a close, the Committee is now turning its attention to what should be CAFII's major 2022 research initiative.

Networking & Events Committee — Chair: Carmelina Manno; Vice-Chair: Marco DeiCont

The Networking & Events Committee recently distributed a survey to CAFII Board, EOC, and Other Committee members seeking their input on possible topics and presenters for future CAFII in-person events and webinars. Planning is underway for the Fall 2022 series of three CAFII webinars.

Market Conduct & Licensing Committee — Chair: Brad Kuiper; Vice-Chair: Fay Coleman

There has been an unprecedented level of regulatory consultations over the past six months. CAFII is now past the height of this activity, and is hoping that the coming months will see a more moderate pace and intensity of regulatory consultations. For a listing of CAFII regulatory submissions made over the past several months, see Agenda Item 6(a).

Working Group on Compliance With AMF's Expectations Re RADM's Applicability To Credit Card-Embedded Insurance Benefits — Chair: Jennifer Russell

This Working Group has recently relaunched, after a brief hiatus, and will continue to meet to discuss implementation of Action Plans on complying with the AMF's expectations around the Regulation respecting Alternative Distribution Methods' (RADM) applicability to credit card-embedded insurance benefits; and on CAFII's proposal to the AMF for wording modifications to the Fact Sheet and Notice of Rescission to make them 'fit' credit card-embedded insurance benefits.

**CAFII 2022 Schedule of Meetings and Events (Approved By Board of Directors on October 5/21;
But Subsequently Adjusted/Amended)**

Assumes Restart of In-Person Meetings in June 2022 for Board; and September 2022 for EOC

EOC Meetings: *To be held for 2 hours or 1.5 hours, in alternating months*

- **Tuesday, January 18, 2022** (2:00–4:00 p.m. via MS Teams)
- **Tuesday, February 15, 2022** (2:00–3:30 p.m. via MS Teams)
(Family Day Stat Holiday in Ontario: Monday, February 21)
- **Tuesday, March 22, 2022** (2:00–4:00 p.m. via MS Teams)
(Quebec Spring Break: March 7 – March 11. Ontario March Break: March 14 – March 18. Purim: March 17 – March 18)
- **Tuesday, April 26, 2022** (2:00–3:30 p.m. via MS Teams)
(Good Friday: Friday, April 15. Easter Monday: Monday, April 18)
- **Tuesday, May 17, 2022** (2:00–4:00 p.m. via MS Teams,
(Victoria Day Stat Holiday: Monday, May 23)
- **Tuesday, June 28, 2022** (2:00–3:30 p.m. via MS Teams)
(St. Jean Baptiste Day in Quebec: Friday, June 24. Canada Day: Friday, July 1)
- **Tuesday, July 26, 2022**, tentative summer meeting (2:00–3:30 p.m. via MS Teams)
- **Tuesday, August 16, 2022**, tentative summer meeting (2:00–3:30 p.m. via MS Teams)
(Civic Stat Holiday: Monday, August 1)
- **Tuesday, September 20, 2022** (2:00–4:00 p.m. in-person)
(Labour Day: Monday, September 5. Rosh Hashanah: September 26 & 27. National Day for Truth and Reconciliation: Friday, September 30)
- **Tuesday, October 25, 2022** (2:00–3:30 p.m. via MS Teams)
(Yom Kippur: October 4 – October 5. Thanksgiving Stat Holiday: Monday, October 10. Diwali: Monday, October 24)
- **Tuesday, November 22, 2022** (2:00–4:00 p.m. in-person)
(Remembrance Day: Friday, November 11)
- **EOC Annual Appreciation Dinner:** Proposed for **Tuesday, May 17, September 20, 2022** at 5:30 p.m. at a downtown Toronto restaurant, immediately following a 3:00 to 5:00 p.m. EOC meeting, if public health restrictions allow.

Board Meetings:

- **Tuesday, April 12, 2022** (2:00–4:00 p.m. via MS Teams)
(Good Friday: Friday, April 15. Easter Monday: Monday, April 18)
- **Tuesday, June 7, 2022** (2:20–5:00 p.m., preceded by 2022 Annual Meeting of Members; and followed by CAFII 25th Anniversary Celebration at same or nearby downtown Toronto venue). **HOST: BMO Insurance, 68th Floor Event Space, First Canadian Place, Toronto**
- **Tuesday, October 11, 2022** (2:20–4:00 p.m., immediately following liaison lunch and Industry Issues Dialogue with AMF staff executives) **HOST: Desjardins Insurance in Levis/Quebec City** (This is the day immediately following Thanksgiving Monday; however, Tuesday, October 4, 2022 is Yom Kippur)
- **Tuesday, December 6, 2022** (3:00–5:00 p.m.; followed by Holiday Season/Year-End Reception).
HOST: CIBC Insurance

2022 Annual Members and Associates Luncheon:

- *Tentative Date: Tuesday, September 13, 2022 from 11:45 a.m. EST to 2:15 p.m. EDT at St. James Cathedral Centre Event Venue , 65 Church St., Toronto*

2021 Board meetings Hosted by:

None, due to COVID-19 pandemic situation

2020 Board meetings Hosted by:

None, due to COVID-19 pandemic situation

2019 Board meetings Hosted by:

CUMIS (National Club), Manulife Financial, National Bank Insurance, TD Insurance

2018 Board Meetings Hosted by:

CAFI; ScotiaLife Financial; BMO Insurance; The Canada Life Assurance

2017 Board Meetings Hosted by:

TD Insurance; CAFI; Desjardins; CIBC Insurance

2016 Board Meetings Hosted by:

CUMIS Group; Assurant Solutions; RBC Insurance; BMO Insurance

Recent Years' Annual Members and Associates Luncheons**2021 Annual Members and Associates Virtual Luncheon Webinar**

Date: Tuesday, November 9, 2021 from 1:00 p.m. – 2:30 p.m. EDT

Topic: "The Changing Regulatory Environment – Challenges, Risks and Opportunities"

Panelists: Jill McCutcheon, Partner, Torys LLP; Stuart Carruthers, Partner, Stikeman Elliott LLP; Marc Duquette, Partner, Norton Rose Fulbright Corporation. Panel Moderator: Keith Martin, CAFI,

Venue: Virtual-Only Webinar

2020 Annual Members and Associates Virtual Luncheon Webinar

Date: Wednesday, October 21, 2020 from 12 Noon to 1:00 p.m. EDT

Topic: "Setting the Bar Higher: How the Financial Consumer Protection Framework Sets a New Standard for Fairness and Transparency"

Speaker: Frank Lofranco, Deputy Commissioner, Supervision and Enforcement, Financial Consumer Agency of Canada (Remarks actually delivered by Teresa Frick, Director, FCAC who was subbed in for Frank Lofranco at the last minute)

Venue: Virtual-Only Webinar

2019 Annual Members and Associates Luncheon

Date: Tuesday, February 19, 2019 from 11:45 a.m. to 2:15 p.m.

Topic: "The Changing Regulatory Environment – Challenges, Risks and Opportunities"

Panelists: Stuart Carruthers, Partner, Stikeman Elliott LLP; Koker Christensen, Partner, Fasken; Jill McCutcheon, Partner, Torys LLP. Panel Moderator: Nicole Benson, CEO, Canadian Premier Life/Valeyo

Venue: Arcadian Loft, 401 Bay St., Simpson Tower, 8th Floor, Toronto, ON

2018 Annual Members and Associates Luncheon

Topic: "Leading For Success in A Volatile World"

Speaker: Richard Nesbitt, CEO, the Global Risk Institute

Venue: Arcadian Loft, 401 Bay St., Simpson Tower, 8th Floor, Toronto, ON

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 3(a)

Governance Matters: Progress In Identifying A Fall 2022 Date For CAFII 25th Anniversary Celebration, When Insurance Regulators and Policy-Makers Will Be In Toronto

Purpose of this Agenda Item – Update / Discussion

To provide an update and brief input/discussion opportunity for the Board around CAFII's efforts to identify a Fall 2022 date for the Association's 25th Anniversary Celebration, on which insurance regulators and policy-makers from across Canada will be in Toronto for their own meeting(s) and thereby able to accept an invitation to a CAFII 25th Anniversary Celebration.

Background Information

CAFII is celebrating its 25th Anniversary in 2022. The Association is hoping to hold an in-person event in conjunction with CCIR/CISRO in-person meeting in Toronto, in October 2022, to maximize the attendance of regulators and policy-makers at the CAFII celebratory event.

Recommendation / Direction Sought – Update / Discussion

To request Board input on the options around an in-person CAFII celebration of the Association's 25th Anniversary.

Attachments Included with this Agenda Item

1 attachment.

Agenda Item 3(a)
June 7/22 Board Meeting

Progress In Identifying A Fall 2022 Date For CAFII 25th Anniversary Celebration, When Insurance Regulators and Policy-Makers Will Be In Toronto

From: Brendan Wycks <brendan.wycks@cafii.com>
Sent: Tuesday, May 17, 2022 8:22 AM
To: Tony Toy <Tony.Toy@fsrao.ca>
Cc: Keith Martin <Keith.Martin@cafii.com>; Raseema Alam <Raseema.Alam@fsrao.ca>; Munir Chagpar <Munir.Chagpar@fsrao.ca>; Adrienne Warner <Adrienne.Warner@fsrao.ca>
Subject: CAFII 25th Anniversary Celebration

Hi, Tony.

Just following up to see if you have any update for us at CAFII, after the brief meeting which Keith and I had with you and Raseema on April 22, i.e. about our Board's decision to defer our plans to hold an in-person CAFII 25th Anniversary Celebration in Toronto on June 7 and to move that event to the Fall of this year, in the hopes of being able to hold it on the evening of a date on which CCIR, and possibly CISRO as well, would be holding an in-person meeting of its/their members in Toronto.

Have plans been firmed up to move ahead with Regulators Week in Charlottetown in late October? Or is there still a chance that the CCIR and CISRO meetings at the end of that week might be held in Toronto instead?

Alternatively, have you firmed up any date(s) for in-person Stakeholder Meetings in Toronto in November around the new CCIR Strategic Plan?

We have a CAFII Executive Operations Committee meeting this afternoon at 2:00 p.m. and it would be great if you could get back to us with whatever update you have – even if it's “no firm decisions have yet been made” – before then.

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

From: Tony Toy <Tony.Toy@fsrao.ca>
Sent: May-17-22 8:29 AM
To: Brendan Wycks <brendan.wycks@cafii.com>
Cc: Keith Martin <Keith.Martin@cafii.com>; Raseema Alam <Raseema.Alam@fsrao.ca>; Adrienne Warner <Adrienne.Warner@fsrao.ca>
Subject: RE: CAFII 25th Anniversary Celebration

Hi Brendan,

The fall meetings are expected to be held the week of October 17, where CCIR meets on the 20th and 21st.

We are confirming whether it will be virtual or in-person. This will depend on members' ability to travel. If in person, looking likely to be held in Toronto.

Tony Toy
Policy Manager
Canadian Council of Insurance Regulators
National Regulatory Coordination Branch
Financial Services Regulatory Authority (FSRA)
T: 416.590.7257
E: Tony.Toy@fsrao.ca
www.fsrao.ca

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 3(b)

Governance Matters: Plans to Hold In-Person CAFII 2022 Annual Members and Associates Luncheon On Tuesday, September 13/22 at St. James Cathedral Event Centre Venue, Toronto

Purpose of this Agenda Item – Update / Discussion

To provide an update and brief input/discussion opportunity for the Board around plans to hold an in-person CAFII 2022 Annual Members and Associates Luncheon on Tuesday, September 13/22.

Background Information

For over 2 years, CAFII has put on hold its signed agreement with St. James Cathedral Event Centre Venue to hold an in-person Annual Members and Associates Luncheon at its downtown Toronto location. We are now revisiting these plans and hope to be able to hold the event on Tuesday, September 13/22.

Recommendation / Direction Sought – Update / Discussion

Board input on an in-person CAFII 2022 Annual Members and Associates Luncheon.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 3(c)

Governance Matters: Plans for Next CAFII Board Meeting on Tuesday, October 11/22: To Be Held In Quebec and Combined With A Liaison Lunch and/or “Industry Issues Dialogue” With AMF Staff Executives?

Purpose of this Agenda Item – *Update / Discussion*

To provide an update and brief opportunity for Board input/discussion around options for holding the Tuesday, October 11, 2022 CAFII Board meeting in Quebec, which also creates the opportunity to host a liaison lunch and/or “Industry Issues Dialogue” session with CAFII-relevant AMF staff executives.

Background Information

For over 2 years, CAFII has put on hold its tradition of holding its October Board meeting in either Montreal or Quebec City, and using that occasion to host an in-person lunch and/or meeting with AMF staff executives and engage in a dialogue. The Board will be asked to consider returning to this tradition for the Tuesday, October 11, 2022 Board meeting.

Recommendation / Direction Sought – *Update / Discussion*

To obtain Board input on the options around an in-person CAFII Board meeting in Quebec on October 11/22.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 4(a)

Financial Management Matters: CAFII Financial Statements as at April 30/2022

Purpose of this Agenda Item – Approval

To update the Board on CAFII's financial position and request its approval of CAFII's financial statements as at 30 April, 2022.

Background Information

This is an update, with a request for approval of the related financial statements.

Recommendation / Direction Sought –Approval

Approval requested.

Attachments Included with this Agenda Item

1 attachment.

CAFII

411 Richmond Street E, Suite 200
Toronto, ON M5A 3S5

Statement of Operations As at April 30, 2022

	Current Month	Budget Apr-22	Variance to Monthly Budget	Current YTD	Budget '22 YTD	Variance Budget to YTD	Budget 2022
Revenue							
Membership Dues	\$83,038	\$83,038	\$0	\$332,151	\$332,151	\$0	\$996,452
Interest Revenue	\$28	\$21	\$7	\$87	\$83	\$3	\$250
TOTAL REVENUE	83,066	\$83,058	7	\$332,237	\$332,234	\$3	\$996,702
Expenses							
Management Fees	\$43,175	\$42,241	(\$934)	\$171,126	\$168,963	(\$2,163)	\$510,518
Legal and consulting costs	\$0	\$7,533	\$7,533	\$0	\$30,133	\$30,133	\$90,400
Audit Fees	\$1,187	\$1,246	\$59	\$4,746	\$4,983	\$237	\$14,950
Insurance	\$519	\$539	\$20	\$2,076	\$2,155	\$79	\$6,466
Website Ongoing Maintenance	\$1,597	\$626	(\$971)	\$3,230	\$2,504	(\$726)	\$7,513
Telephone/Fax/Internet	\$749	\$501	(\$248)	\$1,578	\$2,005	\$428	\$6,016
Postage/Courier	\$16	\$13	(\$3)	\$48	\$53	\$4	\$158
Office Expenses	\$977	\$437	(\$539)	\$1,719	\$1,750	\$31	\$5,250
Bank Charges	\$25	\$60	\$35	\$198	\$240	\$43	\$721
Miscellaneous Expense	\$0	\$44	\$44	\$0	\$175	\$175	\$524
Depreciation Computer/Office Equipment	\$60	\$0	(\$60)	\$239	\$0	(\$239)	\$0
<i>Budget for Co-Executive Directors' New Office Equipment</i>	\$0	\$753	\$753	\$0	\$3,013	\$3,013	\$9,040
<i>Total Board/EOC/AGM</i>	\$0	\$10,378	\$10,378	\$150	\$41,513	\$41,363	\$124,540
Provincial Regulatory Visits and Relationship-Building	\$760	\$1,695	\$935	\$629	\$6,780	\$6,151	\$20,340
Federal Regulatory Visits and Relationship-Building	\$0	\$471	\$471	\$0	\$1,883	\$1,883	\$5,650
Research/Studies	\$0	\$5,650	\$5,650	\$14,831	\$22,600	\$7,769	\$67,800
Website SEO and Enhancements	\$0	\$3,767	\$3,767	\$0	\$15,067	\$15,067	\$45,200
Regulatory Model(s)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Financial Reform	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CAFII Benchmarking Study/RSM Canada	\$0	\$5,650	\$5,650	\$0	\$22,600	\$22,600	\$67,800
FCAC Presentation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Media Outreach	\$202	\$612	\$410	\$1,137	\$2,448	\$1,312	\$7,345
Media Consultant Retainer	\$2,543	\$2,543	\$0	\$10,170	\$10,170	\$0	\$30,510
Marketing Collateral	\$0	\$141	\$141	\$195	\$565	\$370	\$1,695
Contingency For Possible Resumption Of In-Person Meetings/	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSE	\$51,810	\$84,901	\$33,090	\$212,071	\$339,602	\$127,532	\$1,022,437
NET INCOME	\$31,256	(\$1,842)	33,098	\$120,167	(\$7,368)	\$ 127,535	(\$25,735)
proof	-	-	0.00	-	0	-	3,630

Explanatory Notes:

- 1 - Amortization of office equipment based on 4 year straight line depreciation
- 2 - Management fees includes Managing Matters and Executive Director
- 3 - Website includes hosting cafii.com, subscription and website improvements.

CAFI

411 Richmond Street E, Suite 200
Toronto, ON M5A 3S5

Balance Sheet

As at April 30, 2022

	CAFI Operations			CCBPI Project			Combined		
	30-Apr 2022	31-Mar 2022	31-Dec 2021	30-Apr 2022	31-Mar 2022	31-Dec 2021	30-Apr 2022	31-Mar 2022	31-Dec 2021
ASSETS									
Current Assets									
Bank Balance	\$571,373	\$577,237	\$480,291	\$0	\$0	\$0	\$571,373	\$577,237	\$480,291
Savings Account	\$102,601	\$102,573	\$102,514	\$12,151	\$12,151	\$12,151	\$114,752	\$114,724	\$114,665
Accounts Receivable	\$170,433	\$213,789	\$0	\$0	\$0	\$0	\$170,433	\$213,789	\$0
Prepaid Expenses	\$3,437	\$3,956	\$5,513	\$0	\$0	\$0	\$3,437	\$3,956	\$5,513
Computer/Office Equipment	\$10,878	\$10,878	\$10,878	\$0	\$0	\$0	\$10,878	\$10,878	\$10,878
Accumulated Depreciation -Comp/Equip	(\$8,252)	(\$8,193)	(\$8,014)	\$0	\$0	\$0	(\$8,252)	(\$8,193)	(\$8,014)
Total Current Assets	\$850,470	\$900,240	\$591,182	\$12,151	\$12,151	\$12,151	\$862,621	\$912,391	\$603,333
TOTAL ASSETS	\$850,470	\$900,240	\$591,182	\$12,151	\$12,151	\$12,151	\$862,621	\$912,391	\$603,333
LIABILITIES									
Current Liabilities									
Accrued Liabilities	\$3,322	\$17,798	\$58,732	\$0	\$0	\$0	\$3,322	\$17,798	\$58,732
Credit Card	\$2,004	\$692	\$1,224	\$0	\$0	\$0	\$2,004	\$692	\$1,224
Account Payable	\$28,999	\$13,823	\$25,327	\$0	\$0	\$0	\$28,999	\$13,823	\$25,327
Deferred Revenue	\$190,078	\$273,116	\$0	\$12,151	\$12,151	\$12,151	\$202,230	\$285,267	\$12,151
Total Current liabilities	\$224,403	\$305,429	\$85,282	\$12,151	\$12,151	\$12,151	\$236,555	\$317,580	\$97,433
TOTAL LIABILITIES	\$224,403	\$305,429	\$85,282	\$12,151	\$12,151	\$12,151	\$236,555	\$317,580	\$97,433
UNRESTRICTED NET ASSETS									
Unrestricted Net Assets, beginning of year	\$505,900	\$505,900	\$383,859	\$0	\$0	\$0	\$505,900	\$505,900	\$383,859
Excess of revenue over expenses	\$120,167	\$88,911	\$122,041	\$0	\$0	\$0	\$120,167	\$88,911	\$122,041
Total Unrestricted Net Assets	\$626,067	\$594,811	\$505,900	\$0	\$0	\$0	\$626,067	\$594,811	\$505,900
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$850,470	\$900,240	\$591,182	\$12,151	\$12,151	\$12,151	\$862,621	\$912,391	\$603,333
	- 0	- 0		0			- 0	-	
Financial Reserves Targets as per 2022 Budget:									
Minimum 3 months (25%) of Annual Operating Expenses=			\$ 255,609	-	907.44				
Maximum 6 months (50%) of Annual Operating Expenses=			\$ 511,218	-	1,814.88				
Current Level of Financial Reserves (total unrestricted net assets):			\$626,067						
Current Level of Financials Reserve (%):			61%		0.00				

CAFI

411 Richmond Street E, Suite 200
Toronto, ON M5A 3S5

Membership Fees

		<u>Feb-22</u>		<u>Jul-22</u>	
		<u>Billed</u>	<u>Received</u>	<u>To be billed</u>	<u>Received</u>
BMO Bank of Montreal	2022 Upper Tier Member	\$ 38,555	\$ -	\$ 38,555	
CIBC Insurance	2022 Upper Tier Member	\$ 38,555	\$ 38,555	\$ 38,555	
RBC Insurance	2022 Upper Tier Member	\$ 38,555	\$ 38,555	\$ 38,555	
ScotiaLife Financial	2022 Upper Tier Member	\$ 38,555	\$ 38,555	\$ 38,555	
TD Insurance	2022 Upper Tier Member	\$ 38,555	\$ 38,555	\$ 38,555	
Desjardins Financial Security Life Assurance Company	2022 Upper Tier Member	\$ 38,555	\$ -	\$ 38,555	
National Bank Life Insurance Company	2022 Upper Tier Member	\$ 38,555	\$ 38,555	\$ 38,555	
Manulife Financial	2022 Upper Tier Member	\$ 38,555	\$ 38,555	\$ 38,555	
The Canada Life Assurance Company	2022 Upper Tier Member	\$ 38,555	\$ 38,555	\$ 38,555	
Sun Life Financial	2022 Upper Tier Member	\$ 38,555	\$ 38,555	\$ 38,555	
Assurant Solutions	2022 Lower Tier Member	\$ 19,278		\$ 19,277	
Canadian Premier Life Insurance Company	2022 Lower Tier Member	\$ 19,278	\$ 19,278	\$ 19,277	
Cumis Group Ltd/Co-operators Life Insurance Co.	2022 Lower Tier Member	\$ 19,278	\$ 19,278	\$ 19,277	
Valeyo	2022 Lower Tier Member	\$ 19,278	\$ -	\$ 19,277	
Canadian Tire Bank	2022 Initiation Members (Lower Tier)	\$ 11,567	\$ -	\$ 11,567	
Norton Rose Fulbright Canada	Associate	\$ 4,800	\$ -		
RSM Canada	Associate	\$ 4,800	\$ -		
Willis Towers Watson	Associate	\$ 4,800	\$ -		
KPMG MSLP	Associate	\$ 4,800	\$ -		
Optima Communications	Associate	\$ 4,800	\$ -		
RGA Life Reinsurance Company of Canada	Associate	\$ 4,800	\$ -		
Torys LLP	Associate	\$ 4,800	\$ 4,800		
Dog and Pony Studios	Associate	\$ 4,800	\$ -		
Stikeman Elliott LLP	Associate	\$ 4,800	\$ -		
RSA	Associate	\$ 4,800	\$ -		
Feb Invoices		\$522,229	\$351,796		
July Invoices		\$474,225			
Total Membership Fees		\$996,453			
Total amount to realocate monthly Jan-Dec. 2022		\$83,038			

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 4(b)

Financial Management Matters: Forecast for CAFII 2022 Fiscal Year as at April 30/22

Purpose of this Agenda Item – Update

This is an update only.

Background Information

This is an update on the financial forecast for CAFII's 2022 fiscal year as at 30 April, 2022.

Recommendation / Direction Sought –Update

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

2022 CAFII Budget

	Reference Only										
	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	CAFII 2022 Operating Budget Pre Tax	CAFII 2022 Operating Budget HST	CAFII 2022 Operating Budget	2022 YTD April 2022	2022 Forecast	Comment/Rationale	
Revenue											
Membership Dues	\$695,545	\$734,664	\$884,721	\$955,970	\$996,452	\$0	\$996,452	\$332,151	\$996,452	See breakdown in Member Dues Revenue Tab (includes one new Member at Lower Tier Dues as CPL and Valeyo intend to become two separate CAFII Members)	
Annual Members' Luncheon "Additional Seats" Revenue	\$0	\$195	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Interest	\$0	\$982	\$399	\$236	\$250	\$0	\$250	\$87	\$250		
TOTAL REVENUE	\$ 695,545	\$ 735,841	\$ 885,120	\$ 956,206	\$ 996,702	\$ -	\$ 996,702	\$ 332,237	\$ 996,702		
EXPENSE											
Management Fees	\$460,299	\$465,134	\$476,844	\$486,711	\$451,786	\$58,732	\$510,518	\$171,126	\$510,518	Same as budget	
Legal and consulting costs associated with regulatory submissions and initiatives	\$563	\$0	\$28,975	\$74,221	\$80,000	\$10,400	\$90,400	\$0	\$90,400	Same as budget	
Audit Fees	\$14,432	\$14,799	\$16,743	\$13,224	\$13,230	\$1,720	\$14,950	\$4,746	\$14,950	Same as budget	
Insurance	\$5,258	\$5,338	\$5,385	\$5,877	\$5,722	\$744	\$6,466	\$2,076	\$6,466	Same as budget	
Website Ongoing Maintenance	\$6,461	\$10,022	\$5,765	\$6,958	\$6,649	\$864	\$7,513	\$3,230	\$7,513	Same as budget	
Telephone/Fax/Internet	\$5,939	\$6,494	\$5,808	\$6,799	\$5,324	\$692	\$6,016	\$1,578	\$6,016	Same as budget	
Postage/Courier	\$458	\$159	\$53		\$140	\$18	\$158	\$48	\$158	Same as budget	
Office Expenses	\$2,423	\$2,025	\$2,158	\$2,694	\$4,646	\$604	\$5,250	\$1,719	\$5,250	Same as budget	
Bank Charges	\$23	\$112	\$236	\$662	\$638	\$83	\$721	\$198	\$721	Same as budget	
Depreciation Computer/Office Equipment	\$1,136	\$1,136	\$1,136	\$1,136	\$464	\$60	\$524	\$239	\$524	Same as budget	
Miscellaneous Expense	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	Same as budget	
Budget for Co-Executive Directors' New Office Equipment					\$8,000	\$1,040	\$9,040	\$0	\$9,040	Same as budget	
Total Board/EOC/AGM	\$52,957	\$65,053	\$8,920	\$1,822	\$110,213	\$14,328	\$124,540	\$150	\$124,540	Includes Annual Members' Luncheon (\$15,065); Board Hosting External (\$22,500); Board/EOC Meeting Expenses (\$29,055); Industry Events (\$3,390); EOC Annual Appreciation Dinner (\$5,305); Speaker fees & travel (\$3,390); Gifts (\$1,200);Networking Events(\$ 1,130); CAFII Reception Events (\$3,955); CAFII 25th Anniversary Celebration (\$ 39,550). These events will occur in May & June & Sept.,2022.	
Provincial Regulatory Visits and Relationship-Building	\$11,230	\$16,833	\$983		\$18,000	\$2,340	\$20,340	\$629	\$20,340	Same as budget	
Federal Regulatory Visits and Relationship-Building	\$0	\$442	\$540		\$5,000	\$650	\$5,650	\$0	\$5,650	Same as budget	
Research/Studies	\$77,345	\$5,368	\$28,646	\$75,473	\$60,000	\$7,800	\$67,800	\$14,831	\$67,800	Same as budget	
Website SEO and Enhancements	\$21,702	\$40,914	\$31,144	\$50,737	\$40,000	\$5,200	\$45,200	\$0	\$45,200	Same as budget	
Regulatory Model(s)	\$6,490	\$7,555	\$0		\$0	\$0	\$0	\$0	\$0	Same as budget	
CAFII Benchmarking Study/RSM Canada	\$0	\$0	\$68,365	\$67,800	\$60,000	\$7,800	\$67,800	\$0	\$67,800	Same as budget	
FCAC Presentation	\$0	\$0	\$20,905		\$0	\$0	\$0	\$0	\$0	Same as budget	
Media Outreach	\$6,883	\$5,683	\$350	\$9,543	\$6,500	\$845	\$7,345	\$1,137	\$7,345	Same as budget	
Media Consultant Retainer	\$31,639	\$27,120	\$27,685	\$29,792	\$27,000	\$3,510	\$30,510	\$10,170	\$30,510	Same as budget	
Marketing Collateral	\$557	\$1,629	\$845	\$717	\$1,500	\$195	\$1,695	\$195	\$1,695	Same as budget	
Tactical Communications Strategy	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0		
Contingency For Possible Resumption Of In-Person Meetings/Events, Etc. in 2021	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0		
TOTAL EXPENSE	\$ 705,793	\$ 675,816	\$ 731,485	\$ 834,165	\$ 904,811	\$ 117,625	\$ 1,022,437	\$ 212,071	\$ 1,022,437		
Excess of Revenue over Expenses (\$10,248)	\$60,025	\$153,636	\$122,041				(\$25,735)	\$120,166	(\$25,735)		
Total Equity (beginning of year)	\$180,447	\$170,198	\$230,223	\$383,859			\$505,900	\$505,900	\$505,900		
Total equity (end of year)	\$170,198	\$230,223	\$383,859	\$505,900			\$480,165	\$626,066	\$480,165		

Explanatory Notes:
(1) Assumes Two Co-Executive Directors, one @ 5 days per week; one @ 4.5 days per week; plus Managing Matters Admin support
(2) Amortization of office equipment based on 4 year straight line depreciation
(3) \$90,400 Legal Expense for Marc Dequette/Norton Rose Fulbright to complete legal opinion re: AMF Spousal Coverage Issue. Alternative for paying for legal opinion is to use the remaining funds from the CCPBI Special Project Fund

Actual/Forecasted Financial Reserves						
	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Operating Budget	2022 Forecast
Minimum 3 months (25%) of Annual Operating Expenses =	\$176,448	\$168,954	\$182,871	\$208,541	\$255,609	\$255,609
Maximum 6 months (50%) of Annual Operating Expenses =	\$352,897	\$337,908	\$365,742	\$417,083	\$511,218	\$511,218
Actual/Forecasted Level of Financial Reserves:	\$170,198	\$230,223	\$383,859	\$505,900	\$480,165	\$480,165
Actual/Forecasted Level of Financial Reserves %:	24%	34%	52%	61%	47%	47%

2019 Operational Budget - Member Dues Breakdown

2018 Member Dues Breakdown

Upper Tier Member	73,438.00	5	367,190.00
DFS	55,079.00	1	55,079.00
Lower Tier Member	36,719.00	4	146,876.00
Initiation Members	44,000.00	2	88,000.00
Associate	4,800.00	8	38,400.00
			695,545.00

2019 (Base) Member Dues Breakdown

Upper Tier Member	73,438.00	6	440,628.00
Lower Tier Member	36,719.00	4	146,876.00
Initiation Members	44,000.00	3	132,000.00
Associate	4,800.00	8	38,400.00
			757,904.00

2019 Operational Budget - Member Dues Breakdown - Revised

2019 Member Dues Breakdown

Upper Tier Member	73,438	6	440,628.00
National Bank	55,079	1	55,079.00
Lower Tier Member	36,719	3	110,157.00
Initiation Members	44,000	2	88,000.00
Associate	4,800	8.5	40,800.00
			734,664.00

2020 Operational Budget - Member Dues Breakdown - 5% Dues Increase

2020 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	3	115,664.85
Initiation Members (Upper Tier)	46,266	1	46,265.94
Initiation Members (Lower Tier)	23,133	0	0.00
Associate	4,800	11	52,800.00
			908,719.89

2020 Operational Budget - Member Dues Breakdown - 5% Dues Increase

2020 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	3	115,664.85
Initiation Members (Upper Tier)	46,266	1	46,265.94
Initiation Members (Lower Tier)	23,133	0	0.00
Associate	4,800	6	28,800.00
			884,719.89

2020 Upper Tier Member

BMO Bank of Montreal
CIBC Insurance
RBC Insurance
ScotiLife Financial
TD Insurance
Desjardins Financial Security Life Assurance Company
National Bank Life Insurance Company
Manulife Financial
The Canada Life Assurance Company

2020 Lower Tier Member

Assurant Solutions
Canadian Premier Life Insurance Company
Cumis Group Ltd/Co-operators Life Insurance Co.

2020 Initiation Members (Upper Tier)

Sun Life Financial

2020 Associate

RSM Canada
Willis Towers Watson
KPMG MSLP
Optima Communications
RGA Life Reinsurance Company of Canada
Torys LLP
*TBC
*TBC

*Associate Candidates - Stikeman Elliott, Norton Rose, Deloitte, Dog and Pony - To be confirmed

Did not renew in 2020

PWC
Munich Reinsurance Company Canada Branch (Life)
RankHigher.ca

2021 Operational Budget - Member Dues Breakdown - No Dues Increase

2021 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	4	154,219.80
Initiation Members (Upper Tier)	46,266	1	46,265.94
Initiation Members (Lower Tier)	23,133	0	0.00
Associate	4,800	5	24,000.00
			918,474.84

2021 Upper Tier Member

BMO Bank of Montreal
CIBC Insurance
RBC Insurance
ScotiLife Financial
TD Insurance
Desjardins Financial Security Life Assurance Company
National Bank Life Insurance Company
Manulife Financial
The Canada Life Assurance Company

2021 Lower Tier Member

Assurant Solutions
Canadian Premier Life Insurance Company
Valeyo
Cumis Group Ltd/Co-operators Life Insurance Co.

2021 Initiation Members (Upper Tier)

Sun Life Financial 2 Year

2021 Associate

RSM Canada
Willis Towers Watson
KPMG MSLP
Optima Communications
RGA Life Reinsurance Company of Canada
Torys LLP

2021 Forecast

2021 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	4	154,219.80
Initiation Members (Upper Tier)	46,266	1	46,265.94
Initiation Members (Lower Tier)	13,494	1	13,494.00
Associate	4,800	10	48,000.00
			955,968.84

2021 Upper Tier Member

BMO Bank of Montreal
CIBC Insurance
RBC Insurance
ScotiLife Financial
TD Insurance
Desjardins Financial Security Life Assurance Company
National Bank Life Insurance Company
Manulife Financial
The Canada Life Assurance Company

2021 Lower Tier Member

Assurant Solutions
Canadian Premier Life Insurance Company
Valeyo
Cumis Group Ltd/Co-operators Life Insurance Co.

2021 Initiation Members (Upper Tier)

Sun Life Financial 2 Year

2021 Associate

RSM Canada
Willis Towers Watson
KPMG MSLP
Optima Communications
RGA Life Reinsurance Company of Canada
Torys LLP
Dog and Pony Studios
Stikeman Elliott LLP
RSA
Norton Rose Fulbright Canada

Initiation Members (Lower Tier)

Canadian Tire Bank CTB is joining CAFII in early June, we will

2022 Operational Budget - Member Dues Breakdown - No Dues Increase

2022 Member Dues Breakdown

Upper Tier Member	77,110	10	771,099.00
Lower Tier Member	38,555	4	154,219.80
Initiation Members (Upper Tier)	46,266	0	0.00
Initiation Members (Lower Tier)	23,133	1	23,132.97
Associate	4,800	10	48,000.00
			996,451.77

2022 Upper Tier Member

BMO Bank of Montreal
CIBC Insurance
RBC Insurance
ScotiLife Financial
TD Insurance
Desjardins Financial Security Life Assurance Company
National Bank Life Insurance Company
Manulife Financial
The Canada Life Assurance Company
Sun Life Financial

2022 Lower Tier Member

Assurant Solutions
Canadian Premier Life Insurance Company
Valeyo
Cumis Group Ltd/Co-operators Life Insurance Co.

2022 Initiation Members (Upper Tier)

2022 Associate

RSM Canada
Willis Towers Watson
KPMG MSLP
Optima Communications
RGA Life Reinsurance Company of Canada
Torys LLP
Dog and Pony Studios
Stikeman Elliott LLP
RSA
Norton Rose Fulbright Canada

Initiation Members (Lower Tier)

Canadian Tire Bank

2nd Year

Briefing Note

**CAFII Board Meeting 7 June 2022—Agenda Item 4(c)
Financial Management Matters: Payment of 2022 Members First Instalment Dues Invoices; and 2022 Associate Dues Invoices**

Purpose of this Agenda Item – Update

This is an update only.

Background Information

In early March, CAFII Members were sent their first instalment dues invoices for 2022. This is a reminder that these have been sent out and an update on the status of 2022 first instalment dues payments.

Recommendation / Direction Sought –Update

Update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 5(a)

Strategic and Regulatory Matters: Implementation of Board-Approved Next Steps Re Public Release of Results of Deloitte Canada Thought Leadership Paper on Digitization of CPI: (a) Webinars for Insurance Regulators and Policy-Makers; and Allied Industry Association and CAFII Associate Representatives; (b) Posting of Executive Summary of Research Results on CAFII Website; and (c) Media Release Based on Executive Summary of Research Results

Purpose of this Agenda Item – *Update*

This is an update only.

Background Information

CAFII is executing on the Board-approved plan to release publicly the results of the Deloitte Canada thought leadership paper on the digitization of CPI, including holding webinars for insurance regulators, policy-makers, and government officials (2 June, 2022), along with allied industry Association and CAFII Associate representatives (25 May, 2022); posting of executive summaries of the research on the CAFII website; and a media release on the major findings of the CAFII-commissioned research.

This will be an update on the implementation of this plan.

Recommendation / Direction Sought – *Update*

Update only.

Attachments Included with this Agenda Item

2 attachments.



The Canadian Association of Financial Institutions in Insurance

Digitization of CPI | Presentation Materials

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Objectives and Agenda

Agenda

Section	Timing
Introductions	<i>5 minutes</i>
Report Background, Context & Approach	<i>10 minutes</i>
Deloitte Perspective on Digitizing CPI	<i>30 minutes</i>
Q&A	<i>15 minutes</i>

Deloitte Presenters



Melissa Carruthers

Partner,
Insurance Strategy

Role: Project Leadership



Marc Lewis

Senior Manager,
Insurance Strategy

Role: Research Lead

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A background image showing a group of people in a meeting. A woman with long dark hair is smiling and pointing at a document. A man with curly hair is looking at the document. Another person is partially visible in the foreground. The image is overlaid with a dark blue filter.

Context & Objectives

Background & Context

CAFII has engaged Deloitte to share an independent perspective on what it will take to offer 'best-in-class' digital experiences to CPI consumers in response to the evolving needs and preferences of Canadians

Background

- The Canadian Association of Financial Institutions in Insurance ("CAFII") is a not-for-profit industry association that **represents financial institution distributors and insurance company underwriters** involved in offering insurance in Canada
- CAFII is dedicated to fostering an open and flexible marketplace that is efficient and effective and **allows Canadian consumers an expanded choice** in the purchase of insurance products and services.
- In support of its mission & mandate to advance the interests of financial institutions in insurance and affiliated organizations, **CAFII regularly conducts consumer and market research** relevant to the business & offerings of its members
- Credit protection insurance (CPI) **is a primary focus of CAFII** as its members' common ground

Why are we here?

- Across all industries we have experienced an **accelerated shift towards digital** purchasing and servicing following the events of COVID-19, however the **insurance industry has been historically slow** at transforming its traditional business models to be more customer centric
- In March 2021, **CAFII conducted a consumer research report** aimed at understanding the impact to the preferences of Canadians in light of COVID 19 with a specific focus on CPI
- Key insights from the research report research suggests that Canadian consumers have not only become more likely, to use virtual channels for CPI and in turn have **higher expectations of their financial institutions** to provide improved multi-channel experiences
- Given the importance of CPI in providing accessible and affordable protection to Canadians, CAFII engaged Deloitte to develop an **independent research report focused on 'Digitizing CPI'** and what it will take for the CPI industry to offer 'best-in-class' digital experiences for consumers
- The objective of the report is to identify opportunities for the **CPI industry to improve the digital experience offered to CPI consumers** in response to increased expectations and advancements in digital tools and technologies
- The subsequent sections of this document outline Deloitte's research approach and its perspective on the key success factors for Digitizing CPI as a means to **help inform the CPI Industries' digital priorities for the future**

Report Approach & Research Methodology

In order to develop its perspective, Deloitte conducted a combination of primary and secondary research, including engagement with CAFII members across 14 organizations that included both underwriters¹ and distributors of CPI

Deloitte Research and Accelerators

Industry External Research

Secondary research was focused on Global insurance markets to help inform key success factors associated with leading digital insurance organizations, including the capabilities contributing to leading digital client experiences

Deloitte's Digital Maturity Model

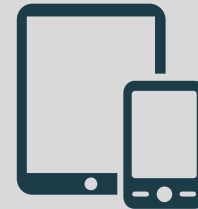
Deloitte's Digital Maturity Model defines the key capabilities required for an organization to be digital and was used as an input in identifying the summary of functional capabilities required to enable the digitization of CPI

CAFII Members Surveyed and Interviewed



Survey & Interview Scope

CPI Digital Maturity - Sample Questions



- What does **'Digitizing CPI'** mean to your organization and how important do you believe digitizing CPI is to the **future of CPI**?
- How would you describe the current digital **maturity of the Canadian CPI industry**? How would you rank your maturity relative to your peers & your desired future state?

Challenges & Opportunities in Digitizing CPI - Sample Questions



- What do you believe are the **primary friction points / inefficiencies** that exist within CPI operations?
- Where do you believe digitizing CPI may present an **opportunity to improve** these inefficiencies?
- What do you believe is the **biggest challenge in digitizing CPI**?

Digitizing Canadian CPI – Key Takeaways

The need to digitize and improve the end-to-end CPI client experience is becoming an imperative for CPI underwriters and distributors in order to keep pace with consumer expectations and the accelerating move to digital lending

Overall Takeaways

- 1 Digitizing CPI is a **strategic priority for Canadian financial institutions**
- 2 Relative to other insurance industries, **Canadian CPI has unique challenges with regards to its digitization**, accentuated by the multiple stakeholders involved
- 3 The **CPI digital experience** offered is **highly dependent** upon the **lending journey** (i.e., mortgages, lines of credit)
- 4 The **regulatory environment** surrounding CPI can be **perceived difficult to navigate digitally**, especially for national organizations offering CPI across provinces
- 5 **Several CPI distributors and Underwriters** have taken a **leadership position by relatively investing more in digital** over the past years
- 6 **Adoption** from representatives as well as clients **in digital experiences continues to be an inhibitor to realizing the benefits of digital investments**
- 7 **Successful digitization of CPI extends beyond client-facing experiences**, and includes back / mid-office operations
- 8 Digital experiences enabled by **automation across the value chain with partners** (e.g., underwriting, claims) were the **most cited friction points**
- 9 **Collaboration** across **Distributors, Underwriters and Regulators** will be key to **delivering “Best-in-Class” experiences**

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Survey Highlights

- 100%** *Of Underwriters and Distributors indicated digitizing CPI as a strategic priority*
- 43%** *Of members surveyed believe that up to 40% of applications will be fully digital by 2025*
- 75%** *Of CPI Underwriters and Distributors viewed alignment with lenders as a key opportunity to increase value delivered to customers*
- 80%** *Of Underwriters identified multiple stakeholders owning various aspects of the CPI experience was the greatest challenge to digitizing CPI*
- 57%** *Of Distributors ranked their current digital maturity as being ‘somewhat behind’*
- 67%** *Of respondents indicated that most back / mid-office processes remain manual despite investments*
- 86%** *Of Distributors have indicated that cross-channel integration is key for successful digital CPI experiences*

‘Being’ a Digital Insurer

Factors Driving Digital in Insurance

Digital is at the heart of the insurance industry's most prominent and disruptive trends, enabling the industry to respond with new and innovative business models, offerings and experiences



Heightened Customer Expectations

Driven by experiences offered by other industries, consumers are expecting seamless, convenient and more personalized digital experiences from their insurers



Pressure on Back-office Operational Efficiency

Rising margin compression has insurers actively looking to implement automation and digitization to improve productivity and efficiency across their operations



Increasingly Competitive Landscape

New & non-traditional entrants with tech-enabled business models are driving new competition in the industry forcing incumbents to rethink their traditional business models



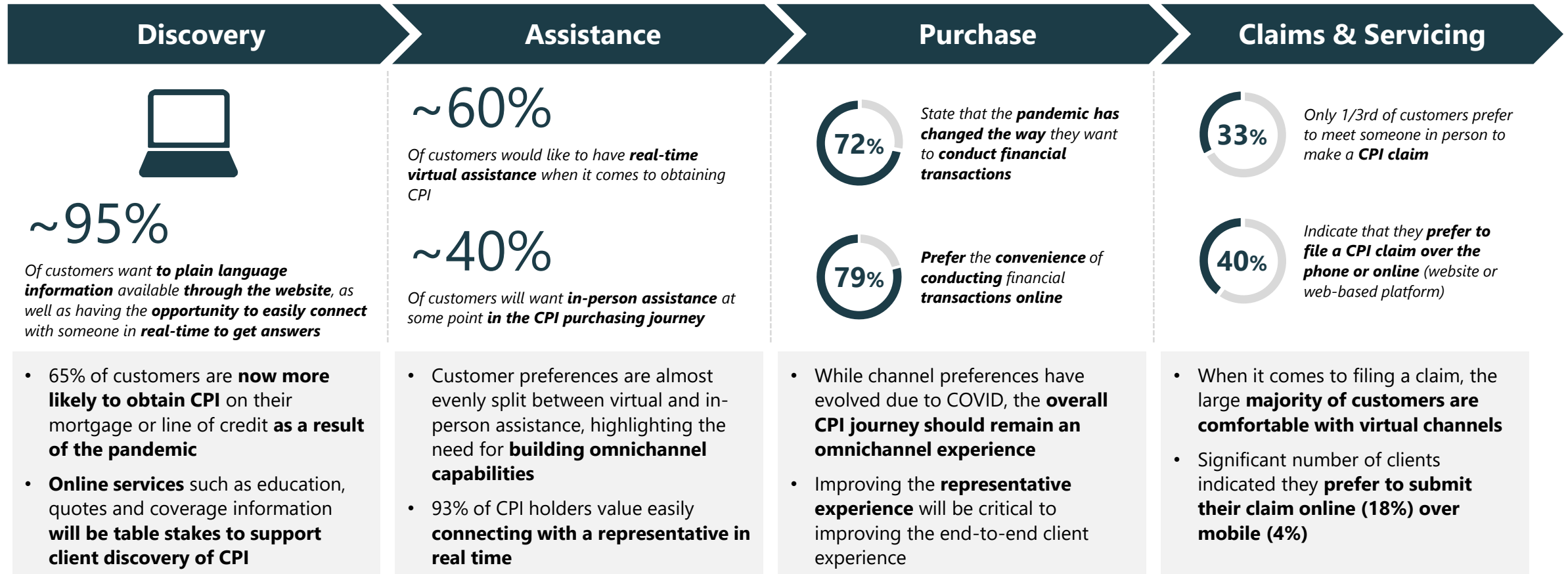
Availability and Ability to Activate Data

The increased availability of data and the use of advanced analytics to derive greater insight provides insurers an opportunity to better assess and manage personalized risks

These trends are causing insurers to **rethink and transform their experiences, offerings, operations, distribution, and enabling technologies** – all in ways that are **truly more digital and deliver more value to customers**

Insights From Previous CAFII Consumer Research

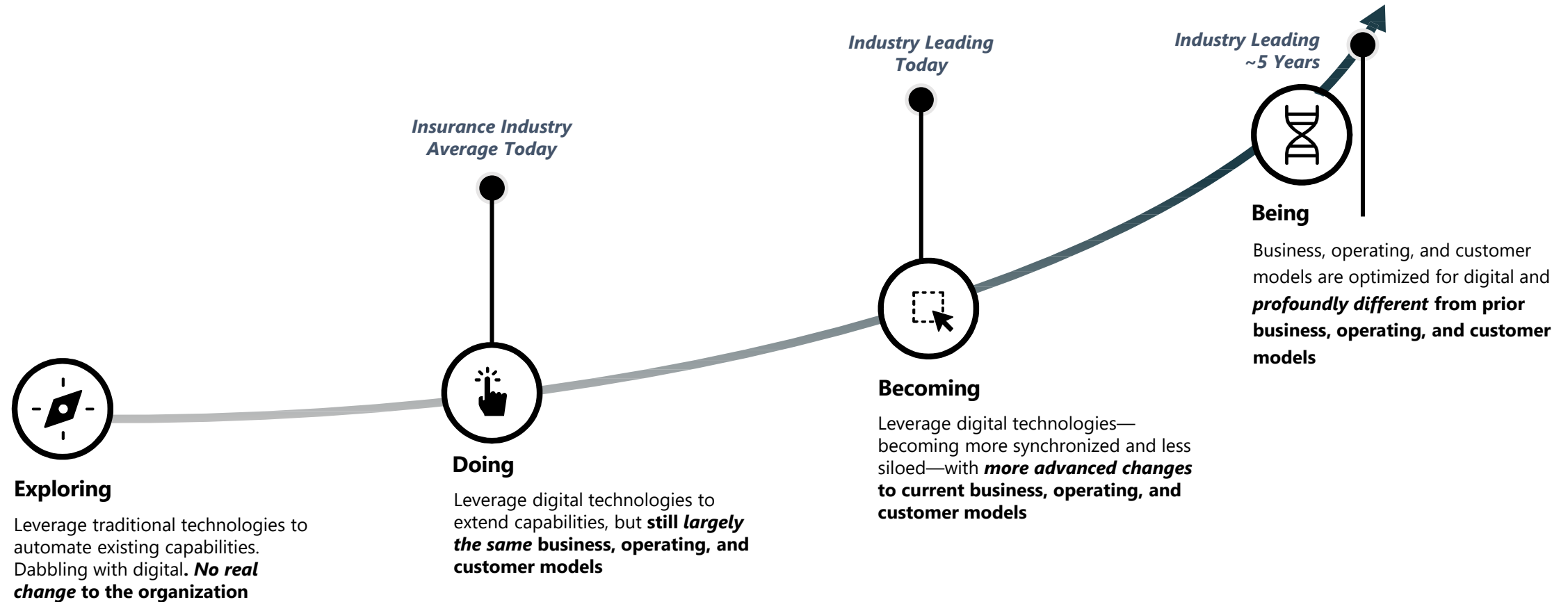
CAFII previously conducted consumer research in order to identify the post-COVID-19 implications to how CPI clients needs & preferences for across the journey have evolved to inform the development of a customer-centric future journey



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Going From 'Doing' digital to 'Being' Digital

As a result of COVID-19, the degree of digital transformation will see a rapid acceleration across all global markets and lines of business in order to play 'catch-up' with other industries and better meet consumer preferences for digital experiences



Why Now?

Consumer expectations for digitally-enabled experiences, coupled with the turbulence associated with COVID-19 have presented a **turning point for accelerating digital maturity** in the industry

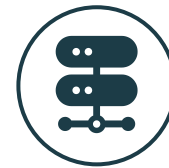
6 Key Attributes of 'Being' a Digital Insurer

Through our research & experience, we've observed that leading digital insurance organizations exhibit the following 6 attributes and respective underlying capabilities which contribute to offering leading digital experiences



Articulated Strategy & Digital Ambition

High performing digital organizations have a well articulated business and supporting digital strategy with clarity on the supporting customer, product and channel strategy



Sophisticated Data, Analytics & Insights

Inform business priorities, product development, and customer experiences all based on data-driven insights - allowing for hyper personalization of experiences, features, pricing and risk assessment



User Centric Digital Experiences

Highly customer-oriented in how they do business and take a human centered design approach to designing their end-to-end user journey allowing for seamless and highly personalized digital experiences



Scalable Technology Architecture

Utilize modern (e.g., cloud based, APIs) technology architecture to support flexibility, modularity and speed to market allowing for seamless integration with ecosystem partners through APIs



Hyper Focused on Operational Efficiency

Digital-enabled insurers have a commitment to relentless expense efficiency, optimizing investments in technology & data through process automation and digitization and business model innovation



Digital Talent & Culture

Digital culture, skills and ways of working (e.g., agile) are embedded throughout the organization driving a holistic culture of innovation and moving away from isolating digital as a standalone team

These **6 foundational attributes** are core to Deloitte's Framework for '**Being**' **Digital In Insurance** & will serve as the **basis for which we will identify the requirements to be a digital CPI leader in Canada**

Digitizing CPI - Research Insights

Unique Considerations for Digitizing CPI

Our analysis suggests that Credit Protection Insurance has unique characteristics and an ecosystem that increase the complexity in offering a seamless digital client experience relative to other lines of insurance

What makes digitizing CPI uniquely challenging?

Evolving & Regional Regulation	Differences in the regulatory and legislative policies across provinces increase complexity related to delivering consistent and seamless experiences at scale across Canada
Group Underwriting	As CPI needs to be group underwritten, there are limitations to the ability to provide personalization in pricing, product design, and assistance relative to other individual insurance products
Strong Ties to Lending	CPI is highly connected to the lending journey, which are increasingly moving towards digital and human-assisted channels; strong collaboration is required with lending partners
Multiple Stakeholders	The client journey is owned by multiple stakeholders at varying stages of the policy lifecycle and requires significant alignment on roles, priorities and capabilities amongst underwriters & distributors
Eligibility Practices	Distributors must ensure that a customer purchasing a CPI product goes through a specific eligibility and exclusion assessment, adding steps to the purchasing journey to ensure value is delivered

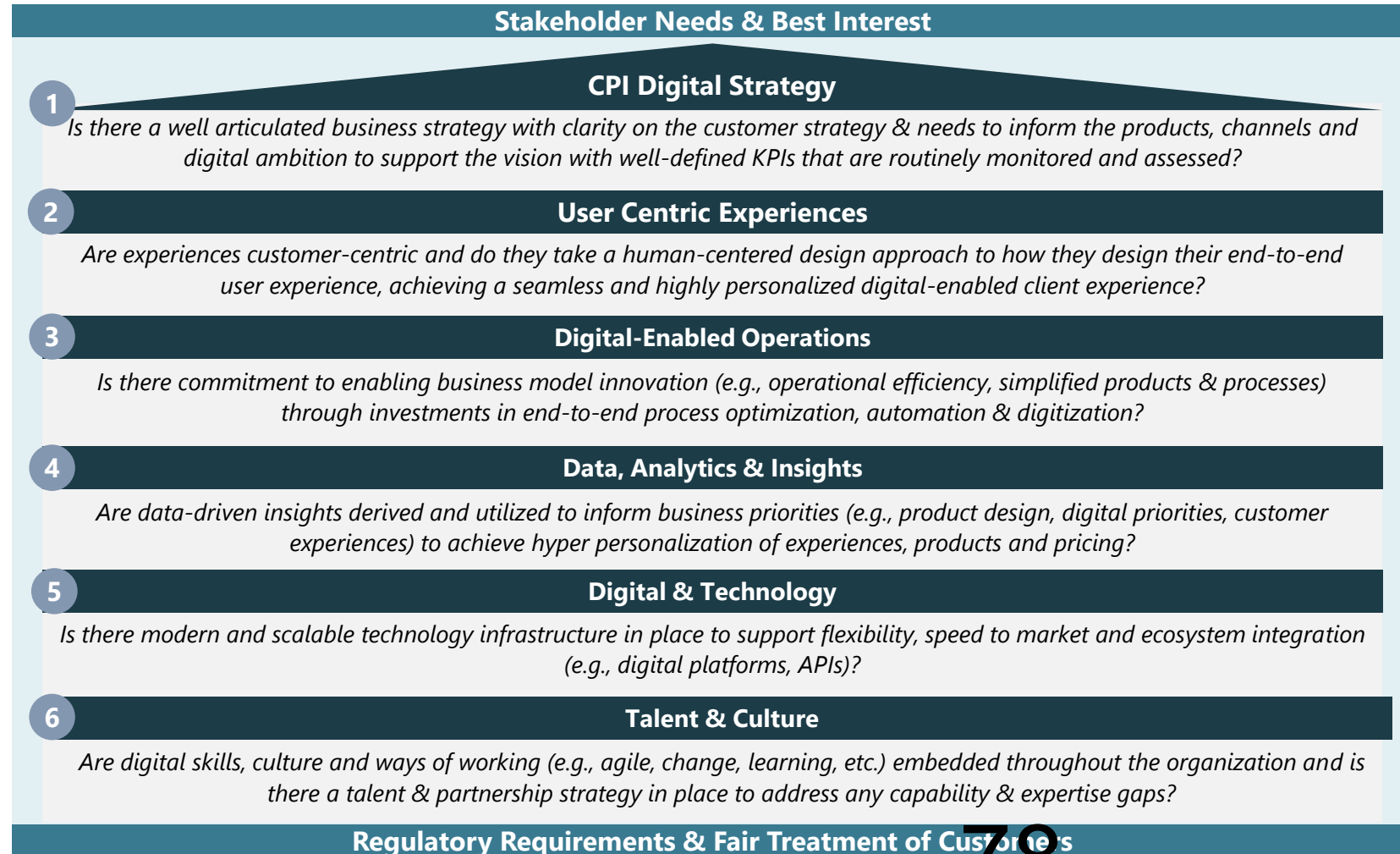
“Finding the right approach to mirror a face-to-face experience into digital channels is and will remain our biggest challenge”
- Distributor

“Traditionally products were standardized, now to meet expectations we need to be customer centric and offer a personalized experience with the best options for the customer”
- Underwriter

“In order to offer seamless experiences that don't rely on phone interactions, we need to integrate with the unique Loan Origination System (LOS) of all partners”
- Underwriter

Deloitte's Framework for Digitizing CPI

Utilizing the 6 attributes for 'Being' a digital insurer and our analysis on the Canadian CPI industry, we have defined a framework outlining our perspective on what it will take to Digitize CPI and assess the industry's current digital maturity



Key considerations across each of the **6 layers in Deloitte's Digital CPI framework** to inform a set of **distinct capabilities** that apply to CPI distributors and underwriters to deliver leading digital experiences

Decisions across layers must be **anchored in regulatory requirements** and **focus on delivering on stakeholders needs and fair treatment of customers**

A grayscale photograph of a man and a woman sitting on a couch, looking at a laptop screen. The woman is on the left, wearing a patterned shirt and a headscarf. The man is on the right, wearing a patterned shirt. They are both smiling and looking at the laptop. The background shows a window with plants and a lamp.

Future Best in Class CPI Experience

Illustrative Future Digital CPI Customer Journey

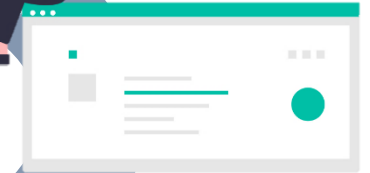
Sam is a 33-year-old Teacher looking to purchase her first home; She goes online to complete an online mortgage pre-approval and was provided relevant information for 'first time home buyers' with an option to virtually connect with Blair, a certified lending representative

1 Discovery



While completing the online mortgage application, Sam is notified she's eligible for Credit Protection and is provided with relevant 'what if' scenarios that demonstrate the value of having protection in the event something unexpected happens, along with the estimated additional cost of adding the coverage.

2 Quoting



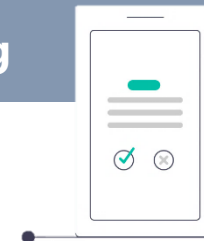
6 months later Sam and her partner are expecting a baby and want to revisit the impact of job loss or going on disability leave. Blair is notified through the representative portal that Sam wishes to discuss coverage changes

Before confirming her mortgage rate & coverage, Sam schedules a video call with Blair who is able to address her questions and shares a link for Sam to securely complete her health questionnaire online; Blair is automatically notified that Sam has completed her application and its ready for review

4 Servicing



3 Purchasing



5 Claims

Sam is unfortunately involved in a car accident and will be unable to work for an extended period. Sam goes into her online banking to view her coverage and is able to submit her claim and upload the required documentation securely online

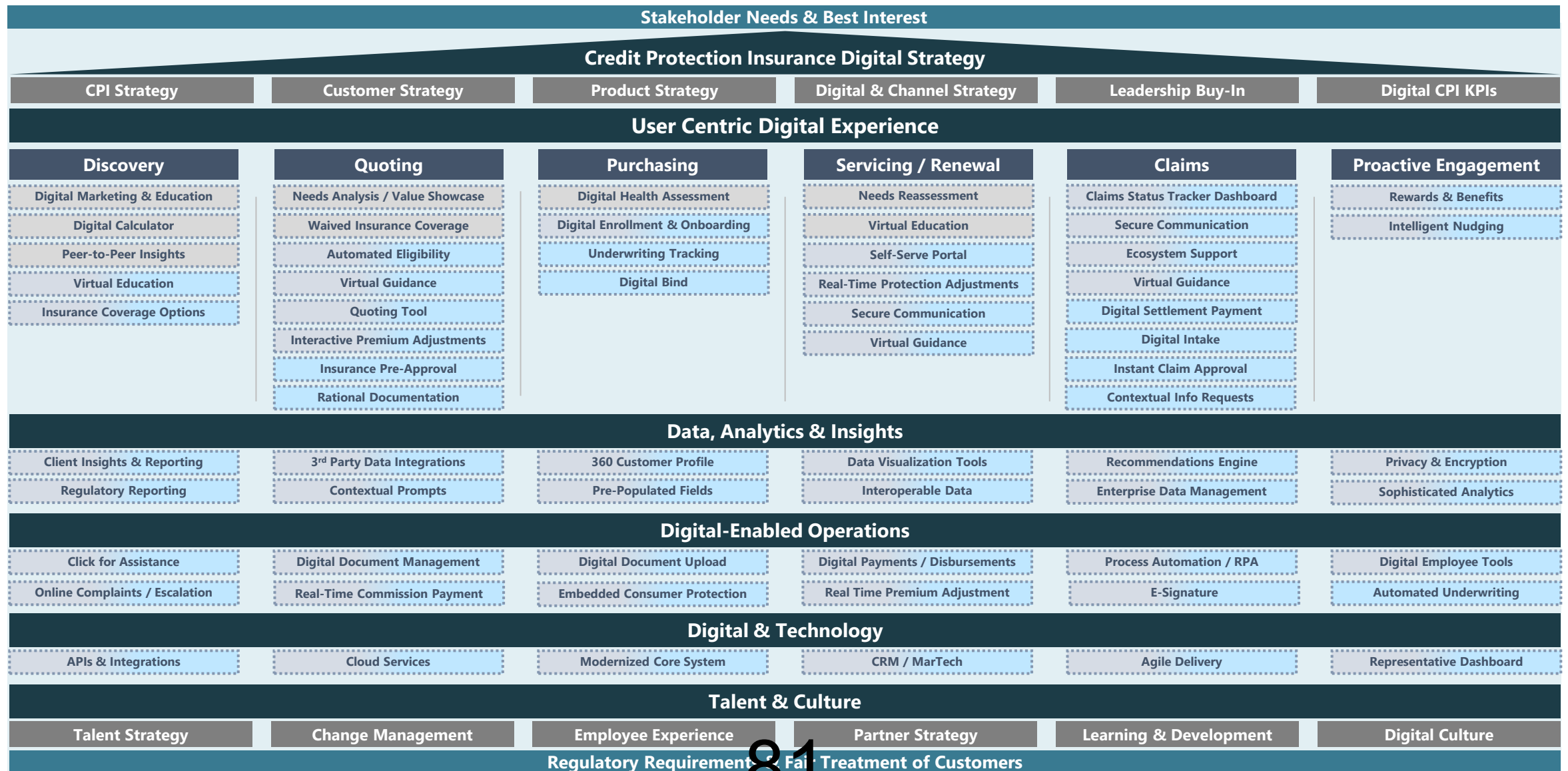
6 Proactive Engagement



Sam purchases a new vehicle with the use of a personal loan, and is notified of the option to add-on the same protection that is present on their mortgage on the personal loan which she selects easily online

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Deloitte Digital CPI Experience Capability Model – Illustrative





Thank You

Any
Questions?

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Draft 4, May 9, 2022 – For discussion only

WHAT WILL IT TAKE TO OFFER ‘BEST-IN-CLASS’ DIGITAL EXPERIENCES TO CONSUMERS OF CREDIT PROTECTION INSURANCE?

New report outlines challenges and opportunities for financial institutions in keeping pace with the evolving insurance needs and preferences of Canadians

TORONTO, May XX, 2022 – New research has found that collaboration across distributors, underwriters and regulators of Credit Protection Insurance (CPI) are key to delivering the type of “best-in-class” digital experience that Canadian consumers have increasingly come to expect.

The Deloitte Canada report (insert link to report), commissioned by the Canadian Association of Financial Institutions in Insurance (CAFII), says digitization is at the heart of the insurance industry’s most prominent and disruptive trends, which requires the industry to respond with new and innovative business models and customer experiences. The report identifies four key trends that are driving the need to transform the insurance business in ways that are truly more digital:

- Consumers expect more seamless, convenient, and personalized digital experiences from their insurers;
- There is growing competition from new entrants with tech-enabled business models;
- There are opportunities to create greater efficiency in back-office operations; and,
- The increased availability of data and use of advanced analytics has made it possible to generate greater customer insights.

In order to offer a leading digital experience, the report says that insurers will need to exhibit six attributes and underlying capabilities:

- Have a well articulated business digital strategy with clarity on the supporting customer, product, and channel strategy;
- Be highly customer-oriented in how they do business and take a human-centered design approach to their end-to-end user journey and digital experience;
- Become hyper-focused on operational efficiency, optimizing investments and data through process automation and digitization;
- Inform business priorities, product development, and customer experiences based on data-driven insights;
- Utilize modern technology architecture to support flexibility, seamless integration, and speed to market;
- Embed digital culture, skills, and ways of working throughout the organization which drive a holistic culture of innovation.

According to the report, there are unique challenges facing the CPI industry in Canada, accentuated by the multiple stakeholders involved including underwriters, distributors, and regulators. For example, the CPI digital experience is highly dependent upon the future lending journey (i.e., mortgages, loans) where most sales take place, and the regulatory environment can be difficult to navigate digitally, especially due to lack of harmonization across provinces.

-more-

Despite the challenges, the CPI industry is committed to keeping pace with client expectations, with 100% of CAFII members surveyed by Deloitte indicating that digitizing CPI is a top strategic priority for their company, and 43% saying up to 40% of their applications will be fully digital by 2025. Furthermore, distributors of CPI recognize the need for greater omni-channel alignment, with 86% stating that cross channel integration is a key for creating successful digital CPI experiences.

“While the digital expectations of insurance consumers have been evolving for a while, the pandemic was a turning point for accelerating digital maturity in the Credit Protection Insurance industry,” said Keith Martin, Co-Executive Director of the Canadian Association of Financial Institutions in Insurance (CAFII). “Consumers of CPI expect a ‘best-in-class’ digital experience, and our members are committed to working with all of our stakeholders to deliver that outcome.”

“Offering digital-enabled experiences for clients, sales representatives and employees is no longer a choice. To effectively meet the needs of CPI clients and attract or retain top talent, the distributors of CPI in Canada will need to think thoughtfully about how and where it prioritizes its digital investment in collaboration with its lending and underwriting partners,” said Melissa Carruthers, Partner and Leader of Deloitte Canada’s Life & Health Insurance Strategy & Transformation Practice.

The Deloitte report is the latest in a series of studies commissioned by CAFII over the past seven years that have looked at customer satisfaction with CPI and Travel Insurance, and how its members can keep pace with evolving consumer expectations.

Over the past decade consumers of financial services have been shifting more of their transactions to digital channels, and this trend accelerated during the pandemic. In fact, the vast majority of Canadian consumers with CPI who participated in a [Pollara Strategic Insights survey](#) last year said their experience during COVID-19 had made them more comfortable conducting financial transactions online, with most saying it had changed the way they want to conduct these transactions in future.

About CAFII: The [Canadian Association of Financial Institutions in Insurance](#) is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. CAFII believes that consumers are best served when they have meaningful choice in the purchase of insurance products and services. CAFII’s 14 members include the insurance arms of Canada’s major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Insurance; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Life Insurance Company; along with major industry players Assurant Canada; The Canada Life Assurance Company; Canadian Premier Life Insurance Company; Canadian Tire Bank; CUMIS Services Incorporated; Manulife (The Manufacturers Life Insurance Company); Sun Life; and Valeyo.

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David Moorcroft, Public Affairs Advisor
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Tel: 416-727-1858

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 5(b)

Strategic and Regulatory Matters: Implementation of 2022 Operatic Agency Scope of Work Proposal Re CAFII Website and Search Engine Optimization Results Enhancements

Purpose of this Agenda Item – *Update*

This is an update only.

Background Information

CAFII is executing on its 2022 scope of work with website/search engine optimization consultant firm Operatic Agency, which includes one new video, the addition of a new tab for “Events,” reorganization of the FAQs section on the website, and additional investments around search engine optimization.

This will be an update on the implementation of this plan.

Recommendation / Direction Sought – *Update*

Update only.

Attachments Included with this Agenda Item

1 attachment.

Scope of Work February 15, 2022

2022 Marketing Program

Prepared for CAFII

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Overview

At our core, Operatic is a creative digital agency that solves complex business challenges with data-inspired strategy. Our strengths include research, creative and digital strategy, performance marketing, design including UX/CRO, and the development of websites/platforms/tools that better connect brands with their intended audience segments. We have a proven ability to produce deliverables that exceed our clients' expectations on time and on budget. To learn more about our approach and the value it drives for our clients, please [visit our website](#).

But enough about us, we're here for you and based on our discussions, we understand CAFII's objectives for this year to be; increased organic visibility and the enhancement of user experience / engagement. In this proposal we've included the following tactics which we've discussed with you in order to meet the above noted objectives:

1. Video
2. Website
3. SEO
4. French Website Enhancements
5. Google Business Profile
6. Reporting & Strategy

We looking forward to continuing our long standing partnership.

Video

Continuing with our series, we'll create one 60–90 second on-brand, motion graphic video covering the topic of your choosing. As always, the animation will be produced in both English & French, and deployed on your website. Once you've determined the video topic of your choosing, our process will be as follows:

Pre-Production:

1. CAFII will provide English and French scripts which read no more than 90 seconds to Operatic
2. Operatic will storyboard the English script for CAFII review and feedback
3. Operatic will complete one-round of revisions incorporating CAFII's feedback
4. CAFII will sign-off on the script and storyboard for production

Production:

5. Operatic will complete a rough-cut English animation (with FPO voiceover for pacing purposes only) as well as options for voice over talent and music
6. CAFII will provide feedback on the animation, and their selections for voice over talent and music
7. Operatic will complete the final English animation including voice over and music
8. CAFII will review the English animation and provide feedback
9. Operatic will complete one-round of revisions and minor graphic updates as needed
10. CAFII will sign-off on polished English animation output
11. Operatic will create the French animation including voice over and music
12. CAFII will review the French animation and provide feedback
13. Operatic will complete one-round of revisions related to pacing
14. CAFII will sign-off on polished French animation

*Please note that adaptations to this process may result in scope change orders.

Website

This year, we'll continue to improve your website's user experience through the following:

FAQs

We'll research the top 5 FAQs not currently addressed on your website and will provide them to your team so they may create responses. From there, we'll take the approved content you provide and will design/develop it into the website on the appropriate pages.

Once complete, we'll work with you to categorize all of the FAQs on the website into distinct and organized subsections, and will create a search functionality so users can more easily find the answers to their questions.

Event Page

We'll create a new event page on the website with blog-style functionality. We'll move all of your existing webinars and recordings from the Research page to the Event page, and in doing so, we'll ensure any necessary optimizations are in place.

Website Hosting, Maintenance & Support

Your retainer will continue to cover the activities listed below, as well as the implementation of of this scope of work (ie. uploading work to your website and testing).

- Hosting fee for your website
- SSL certificate fee, attack mitigation and DNS services – keeping your websites secure
- CDN fee – contributing to speeding up your website
- Automated backups – providing an up-to-date backup to rely on
- Uptime monitoring – proactively flag challenges with your site
- Proactive maintenance of any small hiccups and tweaks that are inevitably required to keep your website running smoothly
- Front of the line access to our website support team.

Search Engine Optimization

A continued focus on search engine optimization is necessary to improve your website's organic visibility – ensuring that it's found by the right people at the right time. We'll improve your websites visibility through the following:

Keyword Research

First, we'll conduct updated keyword research to better understand the way that your audience is searching for topics relevant to your association. This keyword research will guide all of our search engine optimizations. Once complete, we'll book a review session with you to share our findings, and garner your feedback – ensuring we've covered everything and that we're on the same page. Once, your feedback has been incorporated, we'll lock down the new set of searches that we'll be monitoring for results moving forward and we'll conduct a gap analysis on your website, to identify areas of opportunity.

On-page Optimization

Secondly, our SEO specialists will create an action plan for applying the above research to your site through technical optimizations. Once complete, they'll work hand in hand with the lead web developer to iteratively to make enhancements on your site to drive improvement in your rankings.

Link Clean Up

Additionally, we'll scan the links on your website and will evaluate the performance of each of them. From there, we'll develop a roadmap to identify which links need to be removed, which need to be updated, and identify new linking opportunities. From there we'll work to continuously improve your backlink profile by executing against the roadmap.



French Website Enhancements

We'll improve the experience of those searching for your website in French.

Keyword Research

First, we'll conduct French keyword research to determine the terms your audience is using to search for topics related to your association.

Search Experience Analysis

Once we understand how your audience is searching in French, we'll leverage the research to better understand the current experience they're presented with. From there, we'll implement enhancements which will include a combination of the most impactful elements below:

- URL Structure
- Title Tags
- Meta Description Tags
- H Tags
- Image Alt Tags
- 301 Redirects

Google Business Profile

Your Google Business Profile is an integral part of your online ecosystem, taking up valuable real estate within the search engine results page. Ensuring that you show up for searches related to your association has been a key focus of our activities in years past. This year, we're going to work towards having more visitors pass through your profile to your website, by enhancing the user experience.

That will include:

Images & Video

We would like to continue to leverage any existing photos and videos – uploading any assets that you can share, or that we create (for example the videos that we are finishing, or creating this year).

Review Building

We would also like for you to request reviews from your networks. Ideally that would span, members, regulators and end-users wherever possible. We'll provide instructions that you can share with your network in order to make this as seamless as possible. Your 2022 goal needs to be an absolute minimum of 5 reviews. 10 would be a better accomplishment. To give perspective, 50 is your long-term goal. Once reviews are published, we'll work with you to respond to the reviews.

Posts

Posting on Google Business Profile allows you to share up to date and relevant information with your audience. We'll create a content calendar that aligns with your business goals, key messages, and



upcoming events. Once approved, we'll create and publish two posts per month on Google Business Profile.

FAQ / Responses

Leveraging the top FAQs from your website, we'll pose one question per quarter on your Google Business Profile, and we'll answer it with the pre-approved responses.

Reporting & Strategy

We'll prepare one Executive Presentation with data on performance, insights, recommendations. This will be presented to the CAFII board, and will include one round of revisions before a presentation to the broader CAFII group. This will be presented by our CEO, Chris Barrett at the start of 2023. Additionally, we'll create 2023's recommendations and strategy for your review and approval.

Project Governance

What About Feedback?

Feedback is an important part of our process, so addressing it needs to be a part of our workflow. Throughout our program (we'll need you to be especially active out of the gate), you will be given the opportunity to review and provide feedback before deliverables are implemented. We have included one round of revisions for all deliverables in this proposal. Should additional feedback be given after approval is received or one round of revisions is already completed, a Change of Scope Order will be required.

We ask that you do your best to be timely with your feedback so that we may keep your deliverables on time. We understand that from time to time unanticipated challenges arise which delay feedback from you. If this does occur, we'll communicate the effect of the delay on your project timeline.

Scope & Scope Changes

We're partners and as such will deliver what we've scoped in this document, whether or not we're on a budget. That said, from time to time new information, needs or wishes arise from our partners and it's important to note that anything that does not fall within this document is out of scope. When this occurs, our team will be diligent in ensuring that you're aware of the options you have available to you, as well as the pros and cons of each option. In cases where changes are determined to be necessary, a change request will be processed as follows:

- Operatic will create a Change of Scope Order that documents the relevant information, including but not limited to:
 - Description of the change
 - Rationale
 - Impact assessment
 - Effort
 - Associated incremental investment to implement the change
- This Change of Scope Order will be submitted to you and reviewed for final approval before we proceed.

Investment

Item	Investment
Video	\$11,000
Website	\$8,500
SEO	\$8,500
French Enhancements	\$3,500
Google Business Profile	\$5,500
Reporting & Strategy	\$3,000
TOTAL	\$40,000

Terms and Conditions

- Investment is shown in CAD and does not include applicable taxes.
- 25% due upon acceptance of this proposal
- 25% due on July 1st, 2022
- 25% due in October 1st, 2022
- 25% due December 1st, 2022
- All Invoices are net thirty (30).
- Operatic reserves the right to charge a late interest fee of 2.75% per month on invoices past due thirty (30) days.
- Accepted payment methods include cheque, EFT, and credit card. A 2.75% processing fee will apply to all credit card transactions.



Signature of authorized representative
February 15, 2022

Signature of authorized representative
Date:



Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 5(c)

Strategic and Regulatory Matters: Insights Gained from May 3/22 CAFII Webinar On “Principles-Based Regulation (PBR); The Emergence of Rule-Making Authority; and How They Work Together: A Complementary, Harmonious Fit Or ‘Dynamic Tension’ For Canada’s Insurance Regulators?”

Purpose of this Agenda Item – Update

This is an update only.

Background Information

CAFII held a very successful webinar on 3 May, 2022 with University of British Columbia Professor Cristie Ford; and Stikeman Elliott Partner Stuart Carruthers, on principles-based regulation along with rules-based authority. The session received very positive feedback and was well-attended by regulators (see Read Only Agenda Item 6(f) for a list of government official, and insurance regulator and policy-maker registrants).

This is an update on the insights gained from that webinar.

Recommendation / Direction Sought – Update

Update only.

Attachments Included with this Agenda Item

2 attachments.

Agenda Item 5(c)(1)
June 7/22 Board Meeting

Having trouble viewing this email? [Click Here](#)

Reminder: You are receiving this email because you have expressed an interest in the Canadian Association of Financial Institutions in Insurance.



Making Insurance Simple and Accessible for Canadians
Rendre l'assurance simple et accessible pour les Canadiens

Hello Brendan,

You're Invited!

We are pleased to invite you to attend our CAFII Webinar on;

Principles-Based Regulation (PBR); The Emergence of Rule-Making Authority; and How They Work Together: A Complementary, Harmonious Fit Or 'Dynamic Tension' For Canada's Insurance Regulators?

Tuesday, May 3, 2022
from 1:00 to 2:00 pm EDT
via Zoom Webinar

A CAFII-Moderated Panel Discussion with



Dr. Cristie Ford
Professor, Peter A. Allard School of Law,
University of British Columbia
(For capsule biography, [click here](#))



Stuart Carruthers,
Partner, Stikeman Elliott
(For capsule biography, [click here](#))

This webinar will feature two expert panelists who will address the following in a virtual Fireside Chat with moderator Keith Martin:

- What is PBR and how does it differ from rules-based regulation?;
- Where do PBR and rules-based regulation fit on the spectrum of approaches: are they polar opposites?;
- Relationship and interplay between PBR and Fair Treatment of Customers (FTC);
- Pros and cons of PBR and the rationale for favouring its deployment? (for regulators and for regulated entities);
- Does PBR foster innovation at regulated entities?;
- PBR's historical evolution both outside and within Canada;
- PBR's application/implementation in Canada in financial services generally, and in insurance specifically;
- Recent Canadian provincial and nationally-co-ordinated initiatives deploying PBR in insurance;
- The emergence of Rule-making authority at provincial insurance regulators: a complementary, harmonious fit with commitments to PBR or not so much?
 - Is the result merely increasing dis-harmonization?;
- Impacts of the intersection between PBR and regulatory Rule-making authority upon Canada's insurance industry:
 - the role of ingrained attitudes within regulators and within regulated entities;
 - the role of business culture within regulated entities;
 - the roles of Boards of Directors and senior management;
 - the roles of legal, compliance, and internal audit functions (certainty versus ambiguity);
- Relationships and dialogue between regulators and regulated entities.

[Register Here](#)

Agenda Item 5(c)(2)
June 7/22 Board Meeting

From: Benny Cheung <Benny.Cheung@fsrao.ca>

Sent: April-21-22 1:55 PM

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

Subject: FW: [MARKETING] Reminder You're Invited: CAFII Webinar on Principles-Based Regulation; The Emergence of Rule-Making Authority; and How They Work Together: Harmonious Fit Or Regulatory 'Dynamic Tension'?

Hi Brendan,

Hope you are doing well!

Just got this invite for the webinar on PBR – thank you. I am wondering if it is okay to extend the invite to a few of my colleagues who are also doing the PBR work?

Thanks,
Benny

From: Benny Cheung <Benny.Cheung@fsrao.ca>

Sent: May-03-22 9:19 PM

To: Keith Martin <Keith.Martin@cafii.com>

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Reesha Hosein <Reesha.Hosein@fsrao.ca>

Subject: CAFII Webinar on Principles-Based Regulation

Hi Keith,

Hope you are doing well and congrats on an excellent job hosting the webinar this afternoon! The guest speakers were amazing!

We would like to confirm whether the webinar will be shared with the public or only to your members? If its for members only, are we able to get a copy? We think this webinar was excellent and would be a useful resource for our staff. I have copied my colleague Reesha, our lead in the PBR work, who also attended in the webinar. Looking forward in hearing from you. Have a great evening!

Best regards,

Benny Cheung

Senior Manager, Strategic Policy

Financial Services Regulatory Authority (FSRA)

O: 416-226-7803

C: 416-624-5696

E: benny.cheung@fsrao.ca

www.fsrao.ca

On May 12, 2022, at 10:24 AM, david moorcroft <david@strategy2communications.com> wrote:

As per the email below, FSRA would like to share some of the content from CAFII's recent PBR panel on its digital channels. I think this is a great compliment to CAFII, and see no reason to object. Please let me know if I can give FSRA approval or not. Thanks

-David

From: Russ Courtney <Russ.Courtney@fsrao.ca>
Sent: Thursday, May 12, 2022 11:19 AM
To: david moorcroft <david@strategy2communications.com>
Subject: PBR panel sharing

Hi David,

Thanks for taking my call.

FSRA is looking to share some of the content from the recent PBR panel Principles-Based Regulation (PBR); The Emergence of Rule-Making Authority - YouTube on our digital channels (with full credit to CAFII of course) and wanted to check in with you first to see if that was okay.

My email is russ.courtney@fsrao.ca # is 437-225-8551.

Hope you are having a good week,

Russ

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 5(d)
Strategic and Regulatory Matters: Insights Gained from CAFII/CLHIA/THIA Biweekly Meetings Re Impact of COVID-19 On Travel and the Travel Insurance Industry

Purpose of this Agenda Item – Update

This is an update only.

Background Information

This is an update on insights gained from CAFII's biweekly meetings with CLHIA and THIA on COVID-19's impact upon travel and the travel insurance industry.

Recommendation / Direction Sought – Update

Update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 6(a)

Read Only Items: Recently Completed and Imminent/Pending CAFII Regulatory Submissions As At May 30/22

Purpose of this Agenda Item – Read Only Item

This is a read only item.

Background Information

CAFII has engaged in recent months in an unprecedented number of regulatory consultations. This is a read only update on the status of these various regulatory initiatives.

Recommendation / Direction Sought – Read Only Item

This is a read only item.

Attachments Included with this Agenda Item

1 attachment.

Agenda Item 6(a)
June 7/22 Board Meeting

Recently Completed and Imminent/Pending CAFII Regulatory Submissions As At May 30, 2022

<u>Regulatory Authority</u>	<u>Topic</u>	<u>Deadline</u>	<u>Comments</u>
CISRO	Survey of Industry Associations on "Understanding the Consumer Awareness Strategies Currently Undertaken By Industry"	November 30, 2021	Completed by B. Wycks on CISRO's Survey Monkey site.
AMF	Draft Regulation on Complaints Handling and Dispute Resolution in the Financial Sector	December 8, 2021	CAFII submission sent on December 8/21.
FCAC	Proposed Guideline On Complaint Handling Procedures For Banks and Authorized Foreign Banks	December 11, 2021	CAFII submission sent on December 11/21.
FCAC	Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks	January 6, 2022	CAFII submission sent on January 6/22. Follow-up virtual Stakeholder Session, requested by FCAC, took place on Friday, January 15/22.
AMF	Revised/Updated Sound Commercial Practices Guideline	January 28, 2022	CAFII submission sent on January 28/22.
FCAC	Proposed Guideline on Whistleblowing Policies and Procedures for Banks and Authorized Foreign Banks	January 29, 2022	CAFII Co-Executive Directors are of the view that this consultation is "out of scope" for our Association, and is best left for the Canadian Bankers Association (CBA) to respond to/address. This is the third in a series of consultations on guidelines that FCAC has developed to help Banks comply with their obligations in the Bank Act and the new Financial Consumer Protection Framework Regulations , which will come into force on June 30, 2022. A first consultation on a proposed Guideline on Complaints Handling Procedures ended on December 11, 2021. A second consultation on a proposed Guideline on Appropriate Products and Services is in progress until January 6, 2022.

FCNB	"Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations"	CAFII submission sent on February 7, 2022	Among various matters, outlines specifics of FCNB's plan to introduce a Restricted Insurance Agent (RIA) licensing regime in New Brunswick, which will be the first in Atlantic Canada.
OSFI	Draft Guideline B-13: Technology and Cyber Risk Management	February 9, 2022	Insights gained from a November 30/21 OSFI Information Session webinar enabled CAFII to determine that this OSFI consultation is "out of scope" for our Association, as it is exclusively prudential regulation/"going concern"-focused and not inclusive of consumer-oriented, market conduct regulatory issues.
FSRA	"Information Guidance on complaints resolution"	CAFII submission sent on February 15, 2022	Released on December 22/21 for a 55 days public consultation. CAFII has responded to FSRA consultations of this nature/type in the past.
FCNB	Proposed Rule INS-002: Insurance Fees"	CAFII submission sent on February 18, 2022	Released on December 17/21 for a 60 days public consultation. CAFII has responded to FCNB consultations of this nature/type in the past.
AMF	Incentive Management Guideline	CAFII submission sent on February 18, 2022	AMF extended deadline from the initial January 28/22, largely at CLHIA's behest.
BCFSA	"Discussion Paper: Information Security Incident Reporting"	CAFII submission sent on March 1, 2022	A delegation of approximately 15 CAFII representatives met virtually with BCFSA staff executives Saskia Tolsma, Rob O'Brien, and Steven Wright to discuss the Authority's "Discussion Paper: Information Security Incident Reporting" and CAFII's preliminary feedback on that consultation document (Rob and Steven, collectively, are responsible for drafting BCFSA's market conduct-related consultation documents). Insights gained caused CAFII to overhaul its draft written submission on the Discussion Paper – largely to be more emphatic and specific in its recommendations around national harmonization, through CCIR – and to secure a two business days deadline extension to March 1/22.
CCIR/CISRO	Proposed "Incentive Management Guidance"	April 4, 2022	CAFII submission sent on April 4/22.
FSRA	"Principles-Based Regulation" consultation document	April 29, 2022	CAFII submission sent on April 29/22.

FSRA	Proposed “Principles of Conduct for Insurance Intermediaries”	May 3, 2022	CAFII submission sent on May 3/22.
FCNB	Informal Consultation on Imminent Amendments to Life; and Accident & Sickness Insurance sections of New Brunswick Insurance Act	May 20, 2022 (Life Insurance section) and May 27, 2022 (Accident and Sickness Insurance section)	With FCNB’s agreement/permission, CAFII has formed an special ad hoc Working Group comprised of one representative per each of the Association’s 15 Member companies to tackle this review and feedback assignment under a Confidentiality Undertaking. CAFII submissions sent on May 20, 2022 (Life Insurance section) and May 27, 2022 (Accident and Sickness Insurance section).
FSRA	Consultation on “Guidance on Use of Retained Revenues under Regulation ‘Money Retained Outside the Consolidated Revenue Fund’	May 31, 2022	Released on April 26/22 for a 35 days public consultation.
OSFI	Consultation on “Culture Risk Management”	May 31, 2022	EOC determined that this consultation is out-of-scope for CAFII.
Insurance Council of BC	Consultation on “Insurance Council Rules” (which set the licence conditions and requirements for all BC insurance licensees)	June 1, 2022	EOC determined that this consultation is out-of-scope for CAFII.

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 6(b)

Read Only Items: CAFII Insights Summary from 2022 CLHIA Compliance and Consumer Complaints Conference (Virtual Only), May 4-5/22

Purpose of this Agenda Item – Read Only Item

This is a read only item.

Background Information

CAFII Co-Executive Directors Keith Martin and Brendan Wycks attended the 2022 CLHIA Compliance and Consumer Complaints Conference (virtual only) on 4-5 May, 2022 and have produced a detailed summary of the key insights from that event.

Recommendation / Direction Sought –Read Only Item

This is a read only item.

Attachments Included with this Agenda Item

1 attachment.

CAFII Summary Notes

2022 CLHIA Compliance and Consumer Complaints Conference, 4-5 May, 2022

Virtual Conference

CLHIA VIRTUAL CONFERENCE 4-5 MAY 2022

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CLHIA Conference--Overview and Approach

The 4-5 May, 2022 CLHIA Compliance and Consumer Complaints Conference included many presentations that are relevant to CAFII members. Not all presentations are summarized here, only those of CAFII-member relevance.

Copies of presentations are available at the following link:

[2022 CLHIA Compliance and Consumer Complaints Online Conference Event Space \(eventmobi.com\)](https://eventmobi.com)

4 May 2021

Opening Comments

Mary Moffett, Chief Compliance Officer Canada, Swiss Reinsurance Company and Co-Chair of Conference

Mary Moffett welcomed participants to the 2022 CLHIA Compliance and Consumer Complaints Conference. She noted that the organizers had wanted to hold the meeting in-person, but it was not possible due to COVID-19 and the Omicron variant.

The theme for this year's conference is: "Post-COVID New World: Charting the Chart Ahead." This will include how organizations can adjust to a new hybrid work model.

Tone at the Top

Alexis Gerbeau, Head of Manuvie Quebec and Head of Finance, Individual Insurance, Canada

Mr. Gerbeau said that this was another year with monumental events, from the pandemic to economic turmoil to the war in Ukraine. He said that the world is slowly returning to normal from the pandemic, but that it has changed habits including work expectations and some of those changes will be permanent. There is a real issue of "change fatigue" and a need for people to look after their mental health. Manulife has developed new programs to try to help employees deal with stress and mental health.

A global Accenture 2021 research study found that 83% of respondents wanted a hybrid work model post-pandemic. Manulife is currently utilizing a three-days in the office, up to two-days at home model. Another change due to the pandemic is a change in the expectations of customers, including the ongoing need to invest in digital capabilities. Mr. Gerbeau noted that as an insurer, Manulife is seeing the impact of the pandemic on delayed diagnoses and surgeries. Canadian life expectancy has declined back to 2013 levels, and may not return to recent higher levels for some time. He added that 10% to 50% of people who have contracted COVID will develop long COVID, even if they had mild symptoms when they first contracted the virus.

The economy has performed well in 2022, but that is resulting in a rising interest rate environment, and the Bank of Canada overnight rate could reach 2% to 2.5% by the end of the year. This will have a detrimental impact on indebted consumers. Geopolitical developments have added to the complexity of the economic environment.

Update from the Canadian Council of Insurance Regulators (CCIR)

Robert A. Bradley, Superintendent of Insurance, Financial and Consumer Services Division, Department of Justice & Public Safety, PEI and Chair, CCIR

Mr. Bradley was introduced by Stikeman Elliott partner Stuart Carruthers. Mr. Bradley addressed many files which the CCIR is focused on, including the fair treatment of customers. He said that the CCIR is committed to getting provincial regulators to work together on common themes. The CCIR Executive Committee sets the priorities for the organization, and it consists of the Chair and three Vice-Chairs. He said that because insurance is the exclusive jurisdiction of the provinces and territories, it is important for the CCIR to provide co-ordination and harmonization between the provinces.

Quite a bit of Mr. Bradley's formal presentation was concentrated on recent segregated funds regulatory initiatives by the CCIR.

Mr. Bradley said fair treatment of customers was just as important as prudential oversight. He said that the International Association of Insurance Supervisors' (IAIS) Insurance Core Principle (ICP) 19 was the foundation of FTC, and that FTC was a key priority for CCIR and the Canadian Insurance Services Regulatory Organisations (CISRO). He also spoke to the different components of the CCIR/CISRO jointly developed "Guidance: Conduct of Insurance Business and Fair Treatment of Customers" (the Guidance), and the ongoing consultations with industry on that Guidance, noting that in future there will be further consultations on deeper dives into elements of the Guidance.

Mr. Bradley also highlighted CCIR's Annual Survey on Market Conduct (ASMC, which he pronounced AS-MAC), which will, over time, allow CCIR to become more of a data-driven organization. He noted that recent ASMC results found that there are increasing levels of insurance sales due to the pandemic.

He also referenced the recent CCIR report on observations around the industry's implementation of the FTC Guidance since it was released in the Fall of 2018. Most insurers do embed FTC in their operations, and many have clear and established FTC policies. However, there is room for improvement when it comes to defining FTC roles. Incentive structures could also be better aligned with FTC rather than sales, and there could be improvements in compensation systems.

Mr. Bradley noted that individual provincial/territorial insurance regulators may also publish clarifications of their FTC expectations.

Keith Martin anonymously asked the following question via the Q&A function of the conference's virtual platform, which received the highest number of votes from session attendees, among all questions posed, and as such was moved to the top of the queue for being posed to Mr. Bradley:

There has been over the past six months an unprecedented number of regulatory initiatives from provincial regulators, that have required insurance industry stakeholders to provide regulatory responses. Can the CCIR play a role in co-ordinating regulatory consultations from the provinces so that they are not "bunched up" all at once and are spread out more?

In response to this question, Mr. Bradley said that this is something that the CCIR could do better and something that they will look at again.

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Mr. Bradley was also asked about the ASMC and its recent key findings; and he gave a very general answer saying that it provided an overall view of the industry and the changes within it. He was asked what he viewed as the most important principles of FTC, and he said in response that the CCIR needed to be aligned with IAIS' ICP-19.

Illustration 1: Questions Posted by Attendees for CCIR Chair Robert Bradley, With Number of Votes Received

Chat	Q&A
There has been over the past six months an unprecedented number of regulatory initiatives from provincial regulators, that have required insurance stakeholders to provide regulatory responses. Can the CCIR play a role in coordinating regulatory consultations from provinces so that they are not "bunched up" all at once and are spread out more?	
	↑ 34
What are some of the key findings of the CCIR market conduct survey and what plans does CCIR have to make use of it?	
	↑ 28
What do you think are the most important principles of FTC?	
	↑ 16
What is the overall goal for segregated funds reform? Is harmonization with mutual funds the goal?	
	↑ 13
Are there any international developments we should be aware of?	
	↑ 11
With various provincial initiatives on MGA oversight, is the CCIR looking at a more coordinated approach?	
	↑ 10
What are some Post pandemic new things to look out for? Are you still working remotely	
	↑ 9

OLHI Update

Glenn O'Farrell, Chief Executive Officer and Ombudsman, OmbudService for Life and Health Insurance;
 Stéphanie Robillard, Acting Senior Deputy Ombudsman, OmbudService for Life and Health Insurance;
 Tim Wilson, Head, Public Education and Strategic Planning, OmbudService for Life and Health Insurance

Tim Wilson said that today's presentation would be on OLHI's public education strategy. OLHI wants the public to know that its services are free and timely, and it is using videos among other approaches to share some of these features. Communications and public education are now viewed as central to OLHI's mandate, so that consumers know that they have the option of using its services as an ombudservice in the life and health insurance sector. OLHI also piggybacks on specific initiatives such as promoting its services in November during Financial Literacy Month.

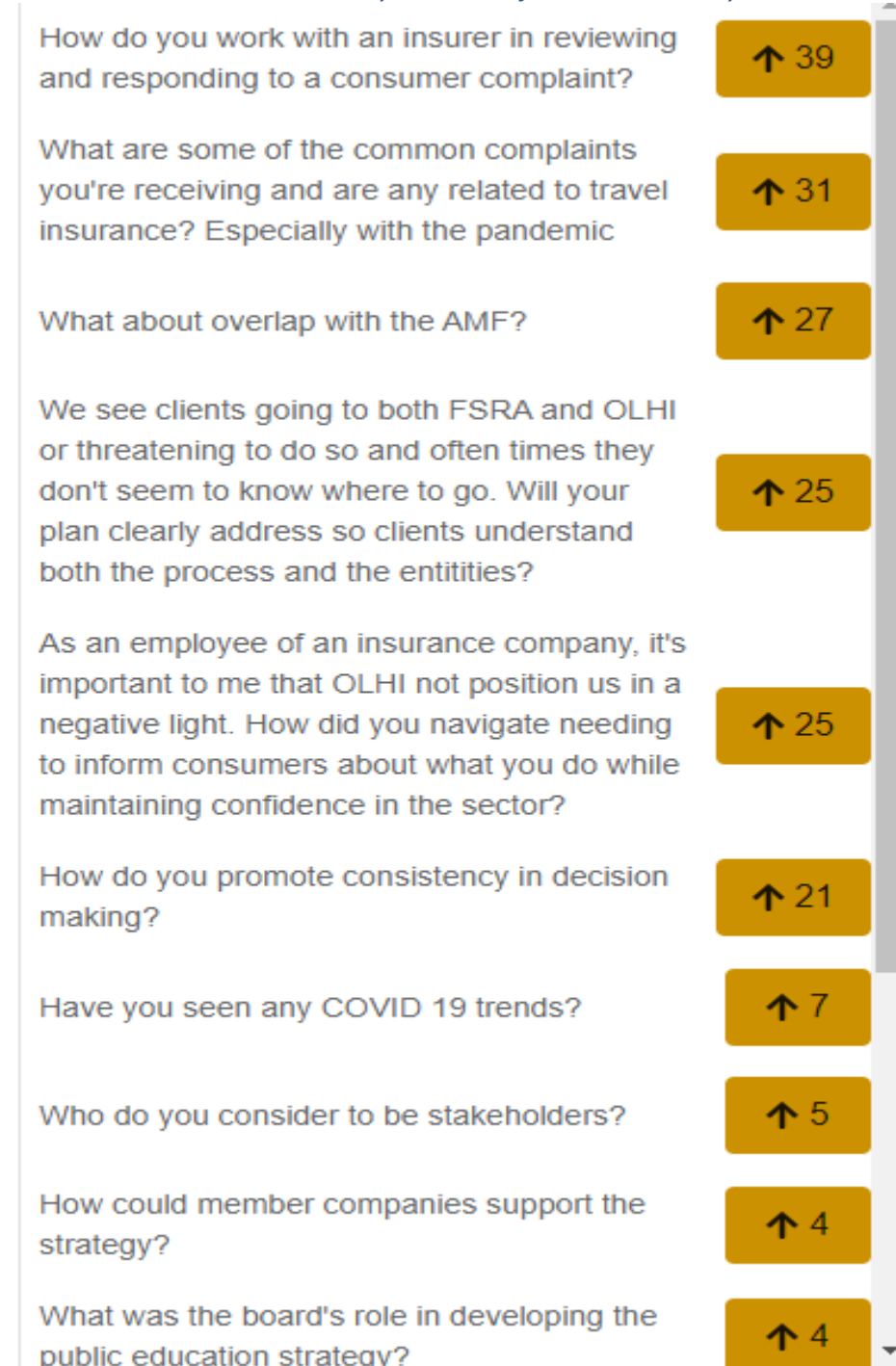
Illustration 2: Example of Public-Facing Materials OLHI is Using to Promote Awareness of its Services



A question was asked about how OLHI works with an insurer to review and respond to a consumer complaint; in response, the operational steps were reviewed with an emphasis on the information-gathering component. It was also noted that OLHI is not advocating for or against the insurer; and is impartial and independent.

In terms of issues raised by consumers, travel insurance-related and extended health care benefits-related complaints increased in 2021. The key area of consumer complaints around travel insurance claims was refunds for the cancellation of trips, and particularly the use of vouchers by companies for cancellations, instead of refunds.

Illustration 3: Questions Posed by Attendees for OLHI Ranked by Votes Received



Regulatory Perspectives From Across Canada

Angela Mazerolle, Superintendent of Pensions and Insurance, Financial and Consumer Services Commission of New Brunswick (FCNB)

Chris Carter, VP and Deputy Superintendent, Market Conduct, BC Financial Services Authority (BCFSA)

Louise Gauthier, Senior Director of Distribution Framework Policies, Autorité des marchés financiers (AMF), Québec

Moderator: Jill McCutcheon, Partner, Torys

Chris Carter was asked what keeps him up at night, and he said there are a lot of issues that are currently of concern including advancing the fair treatment of consumers, climate change, and natural catastrophes.

Angela Mazerolle said that fair treatment of customers is a key priority for her as well, along with the revisions to the New Brunswick Insurance Act.

Louise Gauthier said that climate change is on the AMF's radar, along with the fair treatment of customers. There are also risks that may have developed due to the pandemic and these will need to be closely monitored, she said. There are also operational risks related to information technology that could become bigger issues, she added. Ms. Gauthier said that there were still concerns about complex products being offered by insurers, and ensuring that there is full transparency about these to the customer; she specifically referenced the recent report issued by the AMF on critical illness insurance.

The issue of intermediaries was raised, and Ms. Gauthier said that Québec's Distribution Act requires insurers to be responsible for the behaviour and oversight of intermediaries. The AMF encourages MGAs to develop tools to ensure that they are meeting their market conduct requirements.

Ms. Mazerolle said that New Brunswick has developed, as part of its multi-year Insurance Act Rewrite project, new provisions to deal with improved approaches to intermediaries.

Chris Carter said that in BC, the different regulatory bodies are aligned and working together to deal with insurers and the intermediaries. The insurer has to be accountable for the fair treatment of customers across the entire life cycle of products. Insurers and intermediaries need to be working closely together to ensure that they are co-ordinated around the fair treatment of customers.

CCIR and the issue of harmonization was raised and whether this was still a priority for the CCIR. With the several provincial jurisdictions that now have rule-making authority, there is, Ms. McCutcheon asserted, the potential for rules to differ from one province to another.

Ms. Mazerolle responded that CCIR is a good forum for promoting more harmonization, and that rules allow for greater harmonization by allowing jurisdictions to respond quickly to emerging issues. She did not feel that rule-making authority was the cause of a lack of harmonization, and that the pressure to develop different approaches was more the product of each jurisdiction having different priorities. Rules are easier to develop than having to go through a legislative change approach, she said, and this could make it easier to develop more harmonization.

Chris Carter said that the source of a non-harmonized situation was the outcome of a constitutional reality in Canada; this, he said, was a fundamental reality.

But, he added, there are examples of where a focus on inter-provincial harmonization does work—and he gave the example of a cyber-security incident reporting rule that BCFSa was contemplating. He said that during the consultations on this with industry, there was a lot of push back, with industry saying that BCFSa needs to better align with other jurisdictions. Mr. Carter said that BCFSa listened, thought those arguments had merit, and was rethinking its approach on this issue. So his conclusion was that consultations do matter and there are situations where the commitment to harmonization does get reflected in regulatory initiatives¹.

Louise Gauthier said that the CCIR/CISRO FTC Guidance was an example of a national, co-ordinated, and harmonized approach to a key regulatory issue. She added that rule-making authority would not necessarily lead to less harmonization.

Ms. McCutcheon said that in her view, regulators should have to complete a “harmonization impact study” for each new rule that is developed.

Panelists were asked about their priorities for the life insurance sector. Ms. Gauthier said that segregated funds was a key priority, and that the AMF was working with CLHIA/ACCAP on that file, including a deferred sales charge ban initiative. In 2022-23, there will be progress on modernizing the AMF’s Sound Commercial Practices Guideline; a new incentive management guideline; and a new regulation on complaints handling and dispute resolution. Ms. Gauthier said that industry consultations were very helpful to the AMF on these initiatives.

Ms. Mazerolle said that one of her top priorities was New Brunswick’s multi-year Insurance Act Rewrite initiative, including the need for new rules to be developed before some components of the new Act are proclaimed. There is a specific focus on modernizing the life insurance component of the Act. There was also a focus in New Brunswick on the CCIR work on the segregated funds file.

Chris Carter said that there is a lot going on with industry and regulators at present, and dialogue was critical. As called for in BC’s *Financial Institutions Amendment Act, 2019*, the province will soon be developing an Insurer Code of Conduct for underwriters who do business in BC, and there is a desire to embed features in the Code which will enhance consumer protection. There will be a consultation process related to this initiative, Mr. Carter indicated. BCFSa does support the CCIR/CISRO FTC Guidance, and the BC Code of Conduct will be very consistent with that Guidance. However, there is a legislative requirement for BC to still have its own Code of Conduct separate from the CCIR Guidance.

Ms. McCutcheon opined that there has been a regulatory theme of late of downloading responsibility for supervising intermediaries to insurers. However, insurers do not control the entire sales process, so is that fair?

Chris Carter said that this was about fair treatment of customers, and that particularly included ensuring that the sales and distribution processes are fair.

¹ The importance of BCFSa aligning with other existing incident reporting regimes, especially OSFI’s, was a major point made by CAFII in its submission to BCFSa and in a virtual dialogue meeting with the Authority on this consultation.

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Ms. Gauthier also pushed back on Ms. McCutcheon's assertion, and said that MGAs are accountable for their own behaviours and that, ultimately, this has to be something that insurers make sure happens. MGAs are licensed as distribution firms in Quebec and must comply with the regulatory expectations placed on them. Québec also has an Outsourcing Guideline that insurers are expected to comply with.

Angela Mazerolle agreed with the view that insurers are wholly responsible for the behaviour of their intermediaries, and upcoming changes to the Insurance Act in New Brunswick will codify those expectations.

A question was asked related to certain powers possessed by the FSRA Innovation Office, where regulatory requirements can be temporarily suspended, and the panelists were asked if they were considering similar provisions in their own provinces.

Ms. Mazerolle said that such innovations were perhaps better piloted in larger jurisdictions, and that such an initiative was not planned for New Brunswick at this time.

Mr. Carter said that there were some initiatives in CCIR on these issues, and that BC was monitoring its approach in the province carefully; this was, he said, a dynamic and fast-changing space.

Ms. Gauthier said that the AMF has a great deal of interest in these sorts of initiatives, and Quebec has exemption provisions, but currently is only using them in the securities space.

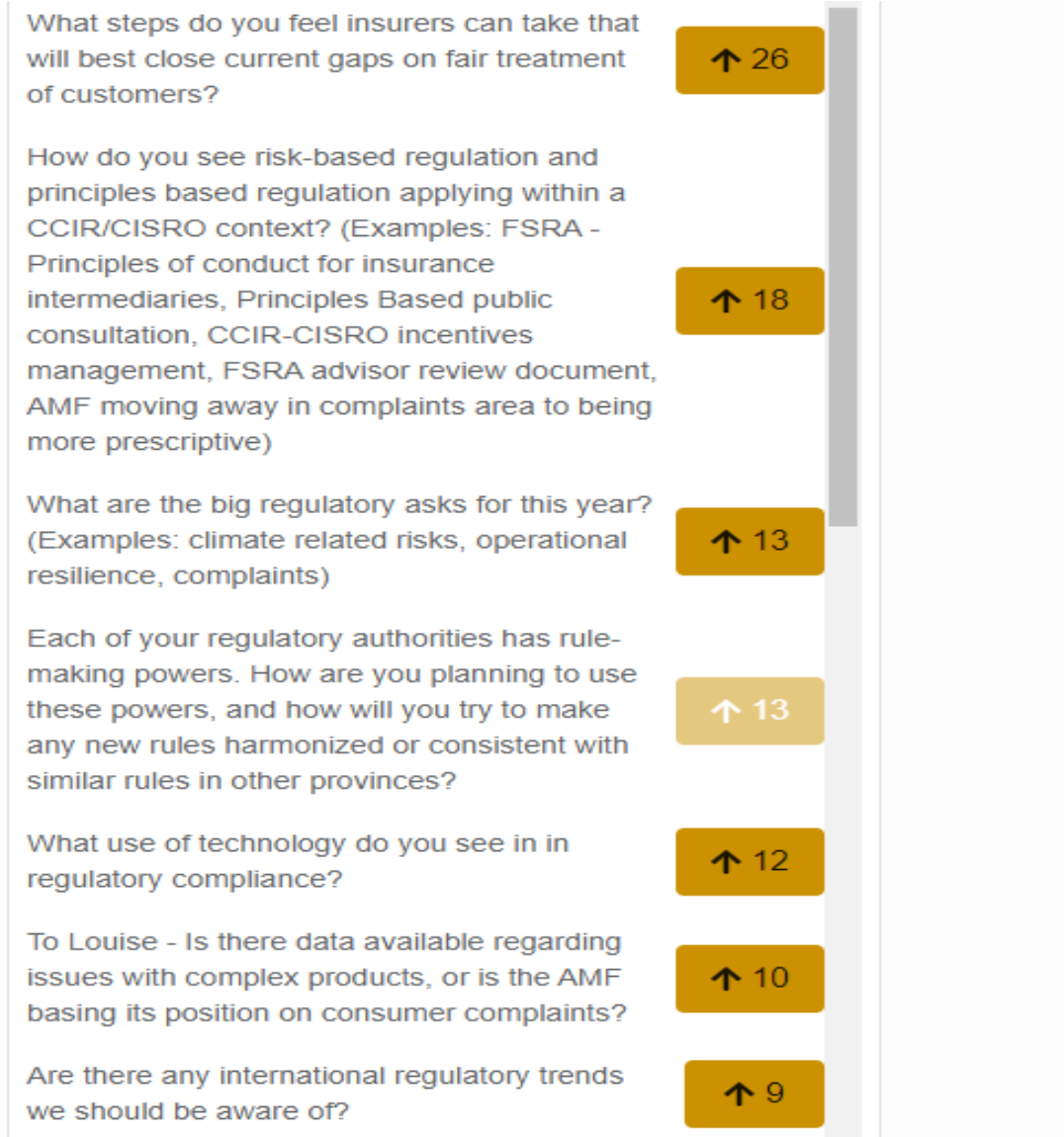
In terms of international trends, Chris Carter said that the hardening p&c insurance market was a key concern. Louise Gauthier said that ESG (Environmental, Social, Governance) issues were becoming increasingly important, and Angela Mazerolle agreed.

Keith Martin anonymously posed the following question, which was ranked as one of the top questions by attendee votes:

Each of your regulatory authorities has rule-making powers. How are you planning to use those powers, and how will you try to make any new rules harmonized or consistent with similar rules in other provinces?

However, none of the audience-submitted questions was actually asked of the panelists. Nonetheless, the audience-submitted questions were visible (along with the votes for them) by panelists and by other regulators and policy-makers who may have been in the audience for this session.

Illustration 4: Questions Posed by Attendees of Regulatory Panel Ranked by Votes Received



New Regulations and Bills and How They Come To Be
Hartley Lefton, Partner, McCarthy Tétrault LLP

Hartley Lefton said that the Canadian system for making laws is based on the UK system. There is a First Reading, where the Bill is introduced. The Second Reading is where there is a substantive debate on the Bill. At this stage, the Bill will either fail or pass; if the latter, it will go to a Committee, with potential witnesses, hearings, and public comment.

If the Bill proceeds through the Committee review phase, it then goes to Third Reading, at which stage there is a vote in the legislature to pass the Bill. If it passes, it goes for Royal Assent (Governor General federally, and Lieutenant General provincially), which is largely ceremonial (the Queen's representative virtually always signs the Bills presented). Federally, there is also a need for Senate passage following largely the same process.

Other sources of legal compliance requirements include Regulations, which often assist with the implementation of a law, such as forms, or setting certain fees or timing; these often are initiated within the bureaucracy, and are implemented through an Order-in-Council (Cabinet).

There is also something called the "Administrative State" which includes regulatory agencies such as OSFI, FSRA, AMF, and BCFSa. They set their own policies, processes, and standards, though they interact with the government. Regulation is developed by the Cabinet and implemented by regulatory agencies, although regulatory agencies can, in some cases, create rules subject to Ministerial approval.

There is also an important distinction to be made between risk-based or principles-based regulations, on the one hand, versus rules-based regulation on the other hand.

But there is more to the story than this formal process. The origin of Bills is based on situations developed well before the First Reading. The two principal sources of new Bills are that (i) "something must be done"—responding to a perceived injustice; and (ii) initiatives from the bureaucracy. Examples of these origin sources for Bills were then provided. It was noted that while most Private Members' Bills fail, they are a good indicator of potential future legislative changes that the government may initiate — an example being current Private Members' Bills on "trafficking" in life insurance policies (viatical settlements) that may reflect a shift in views of that sort of activity.

Chief Compliance Officers Panel

Matthew Onyeaju, Vice President & Chief Compliance Officer, Sun Life of Canada

Mylène Sabourin, Chief Compliance Officer and Chief Anti-Money Laundering and Anti-Tax Evasion Officer, Desjardins

Moderator: Nancy Carroll, Partner, McCarthy Tétrault

Matthew Onyeaju said that the pace of regulatory change is increasing every day and that this development makes it a real challenge to stay on top of regulatory requirements. Some of these new regulatory requirements can be dealt with through formal processes; others may be better dealt with through informal approaches. Informal approaches include accreditation programs which allow compliance officers to stay abreast of developments. Industry Associations such as CLHIA and its committees are also a very helpful way to stay on top of developments. Engaging in consultations is another important part of compliance officers' efforts. There are also more formal mechanisms where responsible persons within the compliance team are assigned different regulatory authorities to monitor and review.

On the issue of cyber-risk, Mr. Onyeaju said that training was critical to preparing for potential crises.

Mylène Sabourin said that Desjardins is very engaged on privacy issues and on improving cyber-security capabilities. It has updated its privacy programs and is establishing best practices in this area, anticipating changes coming due to the new comprehensive privacy law in Quebec (Bill C-64).

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All of Desjardins' 52,000 employees have also undergone privacy training to ensure that they understand the privacy obligations on them and their company.

On the issue of managing risk, Mr. Onyeaju said that there is an increasing view that this has to be dealt with holistically, where operational risk and compliance risk are not viewed as separate or siloed.

Ms. Sabourin said that it was important to focus on the high-risk, important issues and not get bogged down in details that are less relevant.

Ms. Sabourin said that the remote work model during the pandemic has worked very well for the compliance function at Desjardins, but the risk is a loss of team-building and the bonds that a team can develop. The hybrid model could alleviate this, and currently the Desjardins compliance team is meeting once a week in the office. This has required changes to the approach to work so that critical meetings can be held in-person in the office.

Mr. Onyeaju said there are some additional risks from operating in a remote environment, including potential privacy risks. There is also the importance of engagement and fostering the passion that comes from people working together. It is difficult to achieve those things when work is mostly done remotely. Regulators may also expect that current reviews that are done virtually may need to begin to be done in-person again.

Ms. Sabourin and Mr. Onyeaju said that in the new environment where people are coming back to the office, the top priority is people and making sure employees are happy, enjoying their work, and understand and identify with the corporate culture.

It was noted that the CCIR said it would continue to engage in FTC reviews with insurance companies, and share its learnings with them.

Ms. Sabourin said that Desjardins feels that fair treatment of customers is in its DNA, and that these principles are being integrated into all of its business lines. The challenge is to ensure that the organization does not feel that compliance is where FTC exists—it needs to be integrated into the everyday business culture and be part of the approach in all business lines.

Mr. Onyeaju said that the Sun Life experience with CCIR FTC reviews was positive, and completion of the self-assessment and the areas of opportunity for improving FTC were positive initiatives that Sun Life learned from.

On geo-political risk and ESG expectations, Mr. Onyeaju said that Sun Life monitors such issues carefully and ensures that it is in compliance with any new expectations or evolving requirements.

Ms. Sabourin said that there are a lot of regulatory changes taking place right now, and that it has been a very busy year. There is a concern that with all the new regulations being introduced, that there could be a loss of focus on the existing regulatory expectations.

Keith Martin anonymously posed two questions that were the two top-ranked questions based on voting by session attendees.

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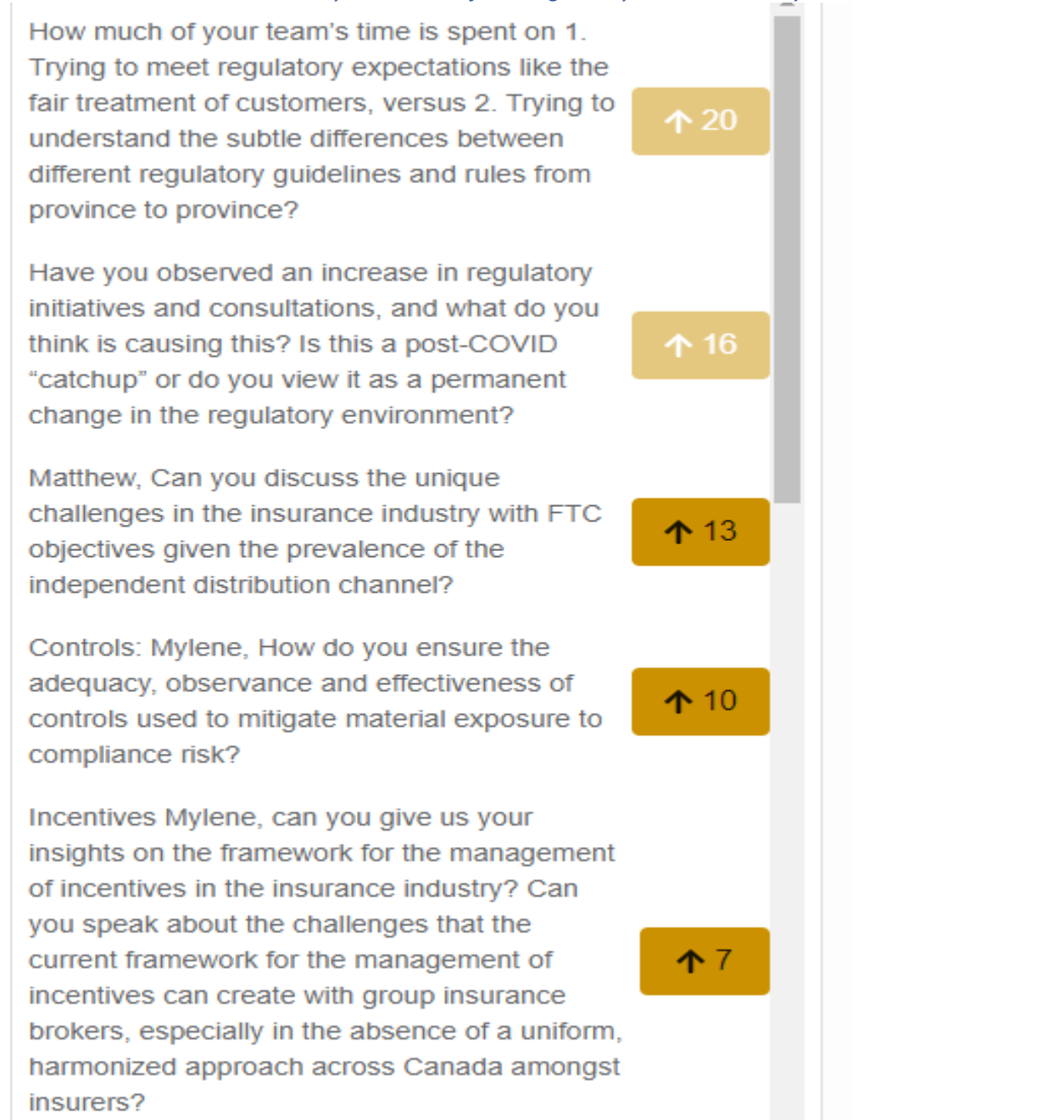
The first question was *How much of your team's time is spent on 1. Trying to meet regulatory expectations like the fair treatment of customers, versus 2. Trying to understand the subtle differences between different regulatory guidelines and rules from province to province?*

On this question, Mr. Onyeaju said that Sun Life has a lot of depth in its team, and there are dedicated individuals looking at both these requirements within different teams. Ms. Sabourin said that the focus at Desjardins has been on embedding a culture focused on the fair treatment of customers.

Mr. Martin's second submitted question was *Have you observed an increase in regulatory initiatives and consultations, and what do you think is causing this? Is this a post-COVID "catchup" or do you view it as a permanent change in the regulatory environment?*

On this question, Mr. Onyeaju said that it felt like there was a change in the regulatory environment that would be ongoing, and which partly reflects changes in technology and customer expectations. Ms. Sabourin said that the level of regulatory activity is viewed as an emerging risk at Desjardins, and as something that is going to continue and will compliance professionals very busy.

Illustration 5: Questions Posed by Attendees of the Regulatory Panel Ranked by Votes Received



Privacy Update

Marie-Eve Jean, Associate, McMillan

Marie-Eve Jean indicated that there have been many developments in the privacy sector of late, including federal Bill C-11 which was proposed in 2020, died on the Order Paper, and may be brought back this year. It would eliminate PIPEDA and replace it with new legislative requirements. These would include new requirements for data collection in Canada, which would significantly alter the Canadian privacy landscape, with penalties for non-compliance that could be as high as 5% of a company's global revenues. The federal privacy commissioner has, however, said that this legislation is a step backwards.

Ontario has released a White Paper entitled "Modernizing Privacy in Ontario" which, if turned into legislation, would have stricter requirements than the federal initiative. It would also cover employee privacy which is currently a grey area. There would be a significant oversight and penalties element to any legislation consistent with the Ontario White Paper.

BC's "Personal Information Protection Act" (PIPA) would be changed in some significant ways if new legislative initiatives being considered are implemented, with the intention being to strengthen the protection of privacy rights for individuals, especially with respect to technology and privacy. The new initiatives under consideration include consent requirements and enhanced incident reporting requirements.

Bill C-64 in Quebec (Loi 25) was adopted by the National Assembly on September 21, 2021 and was formally enacted the following day. The Bill makes significant changes to the rules around individual privacy rights. It introduces new requirements for companies doing business in Quebec, with the definition of "doing business" in Quebec being quite broad—that would apply to any company that collects information in Quebec even if it does not have an office there. Bill C-64 also applies to federally-regulated entities such as banks. It will come into effect in three phases, with most being implemented in the 2022-2023 time period.

Employers' obligations over the next year (specifically as of September 2022) include the need to appoint a privacy officer, which by default is the person in the organization with the highest authority or the CEO. This person can delegate the responsibility to another person in the organization but must do so in writing. The privacy officer has to ensure that the organization complies with the Act. Another obligation is to immediately report breaches to the relevant Quebec Commission and to affected individuals, and to immediately address such breaches. Companies also have to maintain a registry of confidentiality incidents, which must be provided to the Commission upon request.

6 May, 2021

Opening Comments from Conference Co-Chair Pierre-Alexandre Archer, Legal Counsel, Industrial Alliance

Pierre-Alexandre Archer welcomed attendees to the second day of the conference.

Trends in Complaints and Dispute Resolution

Nathalie Barbosa, Director, Client Advocacy, Sun Life Assurance Company of Canada

Valerie Howes, AVP, Special Investigations Unit & Consumer Complaints, Foresters Financial

Moderator: Valerie Robb, Initiatives Manager & Ombudsman, Empire Life

Nathalie Barbosa opined that while you cannot always resolve a customer's complaint to the person's satisfaction, you can always deal with them with compassion and care. As well, customers are now comparing insurance processes to what they experience with Amazon or Starbucks, so the standard expected has definitely gone up.

Sometimes what is required in response to a complaint is to apologize sincerely. There should not be a standard apology template—it has to be customized to the specific and unique case. Valerie Howes said that sometimes when a mistake is made, customers want a reduction in premiums, and that is typically not possible; sometimes what the company representative needs to do is to set realistic expectations for the customer.

Also, customers now sometimes lodge complaints through social media. Sun Life has a dedicated social media team that monitors comments on these platforms. Foresters generally tries to take the complaint off-line and resolve it through traditional channels. The fundamentals remain the same, which is to show compassion.

It is important to look for trends in the complaints lodged, and if there are ongoing issues, these should be examined. Digital means of resolving complaints are also gaining in importance. Anticipating customer needs is also an important way of attempting to avoid complaints. Another trend in the complaints field is the increasing tendency for the adult children of aging customers to advocate for their parents, sometimes doing so with a very limited knowledge of the insurance products they are complaining about.

Panelists said that the pandemic has been a stress magnifier for complaints teams, who already work in a department that is stressful, by its very nature, to begin with. Foresters has therefore introduced new wellness programs for staff to help support them. Sun Life emphasizes mental health and wellness, and also lets the team members help each other, although working at home has made some of these efforts more difficult.

CLHIA Priorities

Stephen Frank, President and CEO, Canadian Life and Health Insurance Association

Stephen Franks indicated that the context that the CLHIA operates in is affected by political and economic events, including COVID-19, the economy, the war in Ukraine, and the federal NDP/Liberal supply and services agreement.

There is a continued federal push into dentalcare, pharmacare, and mental health. There is also a federal bias towards a greater role for government in all matters.

There are three big Canadian elections coming up this year that could impact CLHIA's operating environment: Ontario, Quebec, and Alberta.

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Another development is that regulators are back to their full regulatory and oversight activities, after a period of some relaxation as the industry adapted to COVID-19. The volume of work generated by regulatory consultations has never been greater, and that is also a major challenge.

Top priorities for CLHIA are market conduct, IFRS-18, and non-financial risks, and the MGA-GST issue. There are other issues that also arise that are not currently on the top priority list.

On market conduct, there is a package of segregated funds reforms for 2023, including the elimination of deferred sales charges, and a CCIR consultation on banning “upfront” commissions. CLHIA Guideline G2 will need to be updated in response to these developments.

There is also a continuing bucket of work around the fair treatment of customers, including regular discussion on how to implement these principles in practice; CCIR and AMF consultations on incentives management; and an ongoing focus by FSRA on MGA oversight.

OSFI and the AMF are looking at “non-financial risks” which is another area of major work. Among their areas for review in the next 12 months are:

- Third party risk
- Culture and reputation risk;
- Advanced analytics and model risk;
- Operational risk management;
- Assurance on capital;
- Leverage and liquidity returns;
- Climate risk management;
- Technology and cyber risk;
- Enterprise-wide model risk management.

As well, CLHIA has identified at least 25 separate consultations globally, federally, and provincially on climate change.

CLHIA is also trying to encourage a collaborative approach among its members around combatting claims fraud.

Mr. Frank said that there is more regulatory activity than ever. CLHIA now has staff located in those locales where there the regulatory activities are largely being generated, including Ottawa, Quebec, and Alberta in addition to the Association’s head office in Toronto.

CLHIA is also attempting to strengthen its relationship with the CCIR. Regarding FTC, there is an active working group at CLHIA on this topic and they are very engaged in better understanding how to meet the regulatory expectations around the fair treatment of customers. Mr. Frank said that regulators are placing a higher emphasis on the importance of market conduct, resulting in the pace of work for the Association accelerating.

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Compliance Talent: Defining the Compliance Officer of the Future

Mary Moffett, Chief Compliance Officer (Canada), Swiss Reinsurance Company Ltd.

Jane Birnie, Head of Compliance Shared Services, Manulife

Norm Leblond, Vice President, Chief Underwriter & Claims Risk Officer, Sun Life

Moderator: Meaghan Obee Tower, Partner, Stikeman Elliott LLP

Norm Leblond indicated that a key for compliance teams going forward is to assess how to manage risks. People want decisions to be made quickly, and now there are efforts to use non-invasive sources of data to make underwriting decisions. New digital opportunities require investments in replacing legacy technology systems, and all of these changes produce a need to take a long-term view of risks.

Jane Birnie said that changes to the underwriting model will have significant impacts on the compliance role. Compliance needs to be integrated into the projects that the business is working on so that it can participate in the development of these from the start, and understand the implications for compliance. Compliance needs to be able to move at the speed of the business and not slow down innovation.

Mary Moffett said that the privacy legislation that is being moved forward federally and in many provinces is partially in response to some of these technological and data-gathering developments. Regulators will want to ensure that these developments do not undermine customer protections that are at the core of the regulators' mission.

For compliance to be successful, it requires a mindset of curiosity and trying to understand where the business will end up, and then prepare for that outcome. Another approach is to identify pain points; to write them down and rank them; and then try to address them.

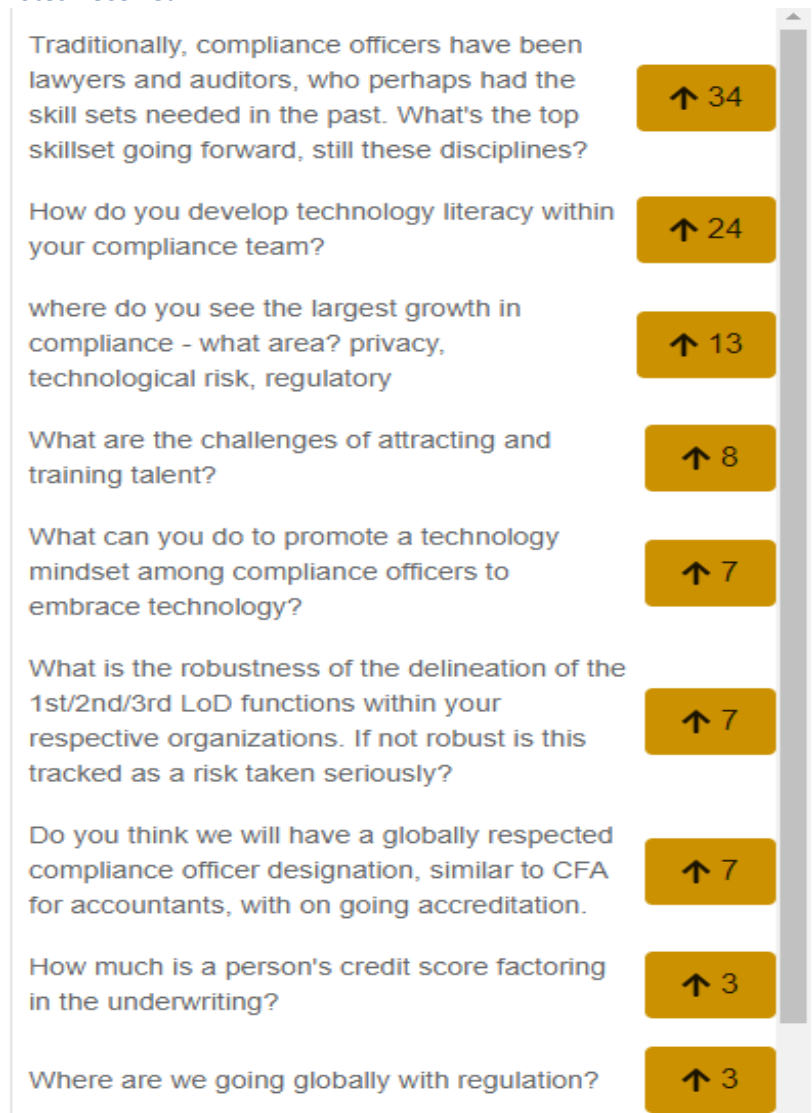
It was noted that the Canadian insurance business has a very collaborative relationship with its regulators, which is a very positive element to the Canadian way of doing things and fairly unique in the world. Another point was that technology is changing everyone's role, and that would not be different for compliance teams. Artificial intelligence will be transformational for insurance, especially underwriting, but to be successful it has to put people first -- the technology must be focused on improving the outcomes for customers. If this is not the approach taken, the regulators will engage to protect customers' interests, and businesses may be severely limited in their ability to use some of these tools.

A question was asked about whether lawyers and auditors have the right skill sets for compliance officers in the emerging environment. Jane Birnie said that lawyers and auditors have the right skill sets, but other skill sets need to complement those skill sets as the business environment changes. Going forward, a diverse set of backgrounds is more important than ever for a compliance team to succeed.

Mary Moffett said that the most important skill in a compliance team is communications. A compliance officer needs to be able to translate complex technical regulatory requirements and put it in language that the business can understand.

Another question was how to develop technological competency in a compliance team. Mary Moffett said that immersion in technology was a good way to develop the "language skills" in that area. Another approach is for training, lunch and learns, and attending the meetings at which technology issues are discussed. All of this is just another facet of fundamental change management.

Illustration 6: Questions Posed by Attendees of the Compliance Officer of the Future Panel Ranked by Votes Received



The panel was asked what was the most important area of growth in compliance -- privacy, technological risk, or something else? Jane Birnie said that privacy would definitely become a more important area of focus.

The panelists were asked whether there will eventually be a global compliance officer professional designation akin to the CSA designation. Mary Moffett said that compliance is a relatively new field, and the visibility and importance of the compliance role has continuously increased. She felt that the future would lead to an accreditation requirement at some point, but she added that there were some downsides to that, because the significant number of roles that can lend themselves to a compliance role is one of the wonderful features of this area and an accreditation requirement could undermine that.

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Jane Birnie felt that such a designation was not necessary and it was better to view compliance as a key function of the business itself.

Equitable Access to Mentorship and Sponsorship

Maira Stewart, Head, Legal Ops , and Strategic Initiatives, Stikeman Elliott

Natasha Bhimji, Director, Student Programs, Diversity, Equity and Inclusion, Stikeman Elliott

Maira Stewart asserted that at Stikeman Elliott, Diversity and Team Resiliency requires high levels of co-operation, effective communication, and strong social ties (see Illustration 7).

Illustration 7: Features of a Resilient Team

Equitable access to mentorship and sponsorship

CLHIA ACCAP

Diversity and Team Resiliency

A resilient organization can quickly recover from and even leverage disruption through innovation and adaptive capabilities.

Resilient teams

Have high levels of:

- Co-operation
- Effective communication
- Strong social ties

Reinforced by the organization through shared purpose and values (including teamwork and employee participation)

- Can assess disruptive situations quickly
- Execute or revise plans where appropriate
- Develop new strategies if situation change occurs
- Adjust their processes when necessary

Stikeman Elliott LLP / 3

Compliance and Consumer Complaints Annual Conference 2022

She also mentioned that a key element to building resiliency as a team was for the organization to be diverse (see Illustration 8).

Illustration 8—Features of a Resilient Team (Continued)

Equitable access to mentorship and sponsorship

Diversity and Team Resiliency – Cont'd

Diverse teams

Support resiliency by offering a:

- Broader knowledge base
- Range of perspectives

In turn, can **positively influence**:

- Problem-solving
- Decision-making

Homogeneous teams

Can miss important information

Resulting in:

- Incomplete analysis
- Short-sited solutions

As we emerge from the disruption caused by COVID-19:
It is critical that organizations have effective programs to support and enhance diversity on their teams and therefore resiliency.

Silverman Elliott LLP / 6

There is also, Ms. Stewart indicated, a continuum to the mentor-sponsorship spectrum (see Illustration 9). She added that women and men from diverse backgrounds are over-mentored but yet under-sponsored relative to other groups (see Illustration 10).

Illustration 9—Mentorship-Sponsorship Spectrum

Equitable access to mentorship and sponsorship

Mentorship-Sponsorship Spectrum

A New Way of Thinking About Sponsorship

Sponsorship is not an either/or role – either committing fully or not at all. It's a spectrum of different kinds of degrees of support.

Private relationship ← → Public relationship

1	2	3	4	5
Mentor	Strategizer	Connector	Opportunity Giver	Advocate
<ul style="list-style-type: none"> • Provide advice, support or coaching 	<ul style="list-style-type: none"> • Share "insider information" about advancing • Strategize getting ahead 	<ul style="list-style-type: none"> • Make introduction to influential people • Talk her up with your peers 	<ul style="list-style-type: none"> • Provide a high-visibility opportunity 	<ul style="list-style-type: none"> • Publicly advocate a promotion • Fight for her in settings where she can't fight for herself

"Want More Diverse Senior Leadership? Sponsor Junior Talent"
Herminia Ibarra and Nana von Bernuth, Harvard Business Review, October 09, 2020

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Illustration 10—Sponsorship of Groups in Large Companies

Equitable access to mentorship and sponsorship

Who Has A Sponsor?
Full-time, employees in large companies who have a sponsor:

Group	Percentage
Men	19%
Women	13%
White Professionals	13%
Visible Minority Professionals	8%

Why?

- 1 Senior leaders are mostly white males
- 2 Men lean in
- 3 Assumptions about women & careers

CLHIA ACCAP

Mairi Stewart
Head, Legal Ops and Strategic Initiatives, Stikeman Elliott

Natasha Bhimji
Dr. Student Program, Diversity Equity & Inclusion, Stikeman Elliott

7:10 / 7:12

Compliance and Consumer

Ms. Bhimja said that the sponsors—often white men—need to have the ability to support people from other backgrounds (see Illustrations 11, 12, 13). There need to be programs to address the “like-me” bias where people tend to prefer people who have similar backgrounds to themselves.

Illustration 11—Building Effective Programs

Equitable access to mentorship and sponsorship

Building Effective Programs

Employers must develop sponsors for diverse talent at all levels of their organization by ensuring leaders - often white men - have the skills to advance women and diverse employees

Identify high potential diverse talent	<ul style="list-style-type: none"> • Look for people who bring different experiences and perspectives and have the results, potential, and ambition to make a larger contribution • Ask HR and other leaders to recommend candidates
Consider who should be a mentor versus a sponsor	<ul style="list-style-type: none"> • Some people may be more suitable as mentors if they are not in a position (of power) to advocate effectively for their person
Consider how to best pair sponsors and protégés	<ul style="list-style-type: none"> • Because sponsors need to be willing to spend social capital, they should have seen their protégé's work if possible • While it helps if sponsors and protégés are as similar as possible, it is not essential, especially factoring in the fact that there may not be enough diverse sponsors available • Instead, focus on training both sponsors and protégés to manage “like me” bias

CLHIA ACCAP

Mairi Stewart
Head, Legal Ops and Strategic Initiatives, Stikeman Elliott

Natasha Bhimji
Dr. Student Program, Diversity Equity & Inclusion, Stikeman Elliott

1:10 / 1:15

Compliance and Consumer

Illustration 12—Building Effective Programs (Continued).

Equitable access to mentorship and sponsorship





Mairi Stewart
Head, Legal Ops. and Strategic Initiatives, Stikeman Elliott



Natasha Bhinji
Dr. Student Prgm, Diversity Equity & Inclusion, Stikeman Elliott

Building Effective Programs – Cont'd

Determine the best stretch role	<ul style="list-style-type: none"> Identify high-visibility opportunities that could benefit protégés' perspectives, talents, and experiences — and in which they can excel
Position the role	<ul style="list-style-type: none"> Ensure protégés understand that the organization values and thinks highly of them Also ensure they have opportunities to start to see themselves as leaders People become leaders by internalizing a leadership identity and developing a sense of purpose Internalizing a sense of oneself as a leader is an iterative process
Provide opportunities for development and support	<ul style="list-style-type: none"> Sponsors must ensure that people in their organization invest time, expertise, resources, and budget to help give protégés the skills and experiences they need to be successful It's also important to educate leaders who will work with a protégé about the challenges women, people of color and especially women of color, often encounter in the workplace

Stikeman Elliott LLP / 12

Illustration 13—Building Effective Programs (Continued).

Equitable access to mentorship and sponsorship





Mairi Stewart
Head, Legal Ops. and Strategic Initiatives, Stikeman Elliott



Natasha Bhinji
Dr. Student Prgm, Diversity Equity & Inclusion, Stikeman Elliott

Building Effective Programs – Cont'd

Pave the way	<ul style="list-style-type: none"> Sponsors have a responsibility to introduce their protégés to influential and powerful people in their organization or industry, including clients, especially if they are crucial for success in their work
Ensure protégés receives candid, performance-based feedback	<ul style="list-style-type: none"> A 2006 McKinsey study found that women don't get the same type of direct, candid commentary on their performance as their male counterparts Research shows that women consistently receive less feedback tied to business outcomes
Help protégés persist	<ul style="list-style-type: none"> Make sure criticism, mistakes, failures, or naysayers don't derail protégés
Champion promotions and recognition	<ul style="list-style-type: none"> Sponsors advocate for raises, promotions, and recognition to deserving protégés


"What Men Can Do to Be Better Mentors and Sponsors to Women"
Rania H. Anderson and David G. Smith, Harvard Business Review, August 07, 2019

Stikeman Elliott LLP / 13


An example of these principles working in practice is a pilot project that Stikeman Elliott has put in place (see Illustration 14).

Illustration 14--Case Study—Summer Work Allocation Pilot Project

Equitable access to mentorship and sponsorship



Mairi Stewart
Head, Legal Ops, and Strategic Initiatives, Stikeman Elliott



Natasha Bhimji
Dir. Student Prgm, Diversity Equity & Inclusion, Stikeman Elliott

Summer Student Work Allocation Pilot Project

Objective To experiment with a system where students will have increased mentor support in a fair and equitable manner accessing:

- 1 Work opportunities
- 2 Relationships
- 3 Development

The focus moves away from **who you know and who you like** (which can disadvantage women and students who come from diverse backgrounds), to:

- Who is available
- Who have I not yet worked with
- Who is interested in doing this type of work

This will allow for work providers to get exposure to, and build relationships with, a broader range of students resulting in a more diverse pool of associates (and a happier, more engaged group of students and associates)

17:35 / 17:40
Stikeman Elliott LLP / 14

However, the return to the office and a hybrid work model may provide challenges to these programs, especially for those who choose to work remotely (see Illustration 15).

Illustration 15--Case Study—Summer Work Allocation Pilot Project

Equitable access to mentorship and sponsorship



Mairi Stewart
Head, Legal Ops, and Strategic Initiatives, Stikeman Elliott



Natasha Bhimji
Dir. Student Prgm, Diversity Equity & Inclusion, Stikeman Elliott

Return to Office Considerations

- As we shift toward a hybrid workplace, both the equity- enhancing and equity- reducing aspects of remote work are likely to be complicated and intensified.
- The rise of a hybrid work environment has improved the work experience for diverse employees which results in greater retention and bolstering our diverse pipeline.
- With employees spending less time in the physical office, "code switching" – changing one's behaviour, appearance or speech to fit into the dominant culture- is now less of a job requirement. People can simply do their work, without that extra emotional labour.
- Conversely, organizations may need to counter "proximity bias" or preferential treatment shown to people who work physically together as remote employees could miss out on networking opportunities, stretch assignments, promotions and career advancement.
- Sponsors can support their protégés by ensuring that opportunities continue to be given to people who choose to work remotely all or part of the time.

"Why Flexible Work Is Essential to Your DEI Strategy"
Sheela Subramanian and Ella F. Washington, Harvard Business Review, February 25, 2022

"Don't Let Hybrid Work Set Back Your DEI Efforts"
Alexandra Samuel and Tara Robertson, Harvard Business Review, October 13, 2021

Compliance and Consumer Complaints Annual Conference 2022
Stikeman Elliott LLP / 15

A question was asked about unconscious bias, and Ms. Bhimja said that a commitment to training and to trying to identify this was a priority at Stikeman Elliott.

Provincial Insurance Councils Panel On Oversight Models

April Stadnek, Executive Director, Insurance Councils of Saskatchewan

Janet Sinclair, Chief Executive Officer, Insurance Council of British Columbia

Joanne Abram, Chief Executive Officer, Alberta Insurance Council

Moderator: Dylan Friedman, Vice President and Chief Client Officer, Apexa

At the beginning of this session, April Stadnek was congratulated on her recent appointment as Executive Director of Insurance Councils of Saskatchewan, succeeding the soon-to-retire Ron Fullan.

Joanne Abram, Janet Sinclair, and April Stadnek all said that supervision would continue to be their major preoccupation. They also all said that cyber-security would be a major issue for their Councils.

Joanne Abram indicated that securing rule-making authority would be a key objective for the Alberta Insurance Council, which would allow it to enforce codes of ethics and respond to licensing challenges. Having that authority would also provide the Alberta Council with the ability to better enforce against non-compliant licensees.

Janet Sinclair said that the Insurance Council of British Columbia is reviewing its rules to make sure they are as current as possible. Some of the changes being contemplated are the subject of current consultations with industry. Another BC priority would be continued work on the development and launch of a Restricted Insurance Agent licensing regime in the province. Part of that exercise will entail determining what products would fall under this regime and who should be licensed to sell those products.

April Stadnek said that rolling out a new online licensing application and renewal process was a priority for this year in Saskatchewan, along with upgrading the ICS website. **Ms. Stadnek mentioned that at the beginning of 2021, Saskatchewan had launched a Restricted Insurance Agent Advisory Committee consisting of appointees from CLHIA and CAFII, and it was working very well.**

Ms. Abram advised that in Alberta, MGAs are licensed just like an individual licensed agent, and that is probably something that should be modified. But that would require legislative change because at this time, the Alberta Insurance Council does not have rule-making authority. AIC is monitoring the Saskatchewan model of licensing MGAs very carefully.

April Stadnek said that MGAs had been licensed as agents for a long time in Saskatchewan, but starting in 2020 they began to be licensed under their own specific MGA license. Ms. Stadnek said that Saskatchewan has approved using the CLHIA MGA Guideline.

Janet Sinclair added that MGAs in BC are viewed as having the same responsibilities as any other agent. MGAs should be aware of what their contracted individual agents are doing because disciplinary action against an agent can also be applied against an MGA.

Ms. Stadnek said that she believes in collaboration to achieve results. Generally, licensees are compliant, and the focus should therefore be on the non-compliant actors. Industry needs to be involved in that objective.

CLHIA VIRTUAL CONFERENCE 4-5 MAY 2022

Joanne Abram said that there is a common interest in improving the professionalism of the industry, and it starts with the quality and background of the individuals recruited to the industry.

Janet Sinclair agreed with the importance of working closely with industry in resolving these issues. Insurers are uniquely placed to try to ensure that background checks, recruitment, training etc. are meeting the highest standards.

A question was asked about what market conduct trends have been noticed by panelists.

Joanne Abram said that there are increases in unlicensed activity, in people who do not have Errors & Omissions Insurance in place, and in licensees who have not met the continuing education requirements. There have been cases of the theft of client's funds. There are some examples of 'scope creep' where products sold under an RIA Certificate of Authority may not be covered by the licence issued. One example of inappropriate scope creep activity that had come to light was a travel agent selling critical illness insurance under an RIA certificate.

April Stadnek said that there are supervision requirements in Saskatchewan, but these are not always followed and the supervision may not be done by someone who is in a position to play that role without a conflict of interest—for example, a husband supervising a wife.

Janet Sinclair said that there were similar issues in BC, including fraudulent behaviour.

Ms. Sinclair was asked if there was a possibility of a national database of bad actors, and she said that information-sharing between provinces was a big challenge and so the short-term answer is no. April Stadnek agreed that it would not happen right away, but it should at some point be addressed.

A question was asked about how often licensee exams (LLQP) were updated to take account of new developments. Joanne Abram said that national administration of the LLQP was managed by CISRO's services provider which is Quebec's AFM. The AMF is constantly updating the exam: the modernized, modular LLQP, which was launched in 2016, was currently on its 12th iteration.

Illustration 16—The Provincial Insurance Councils Panel

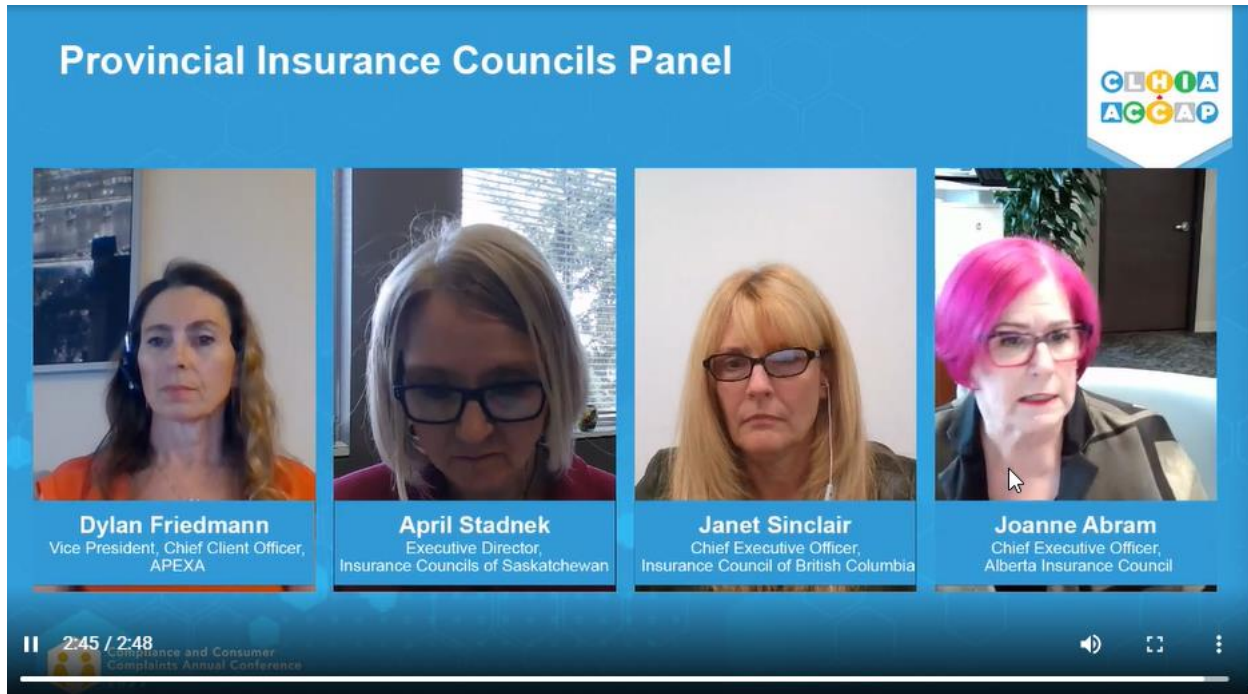
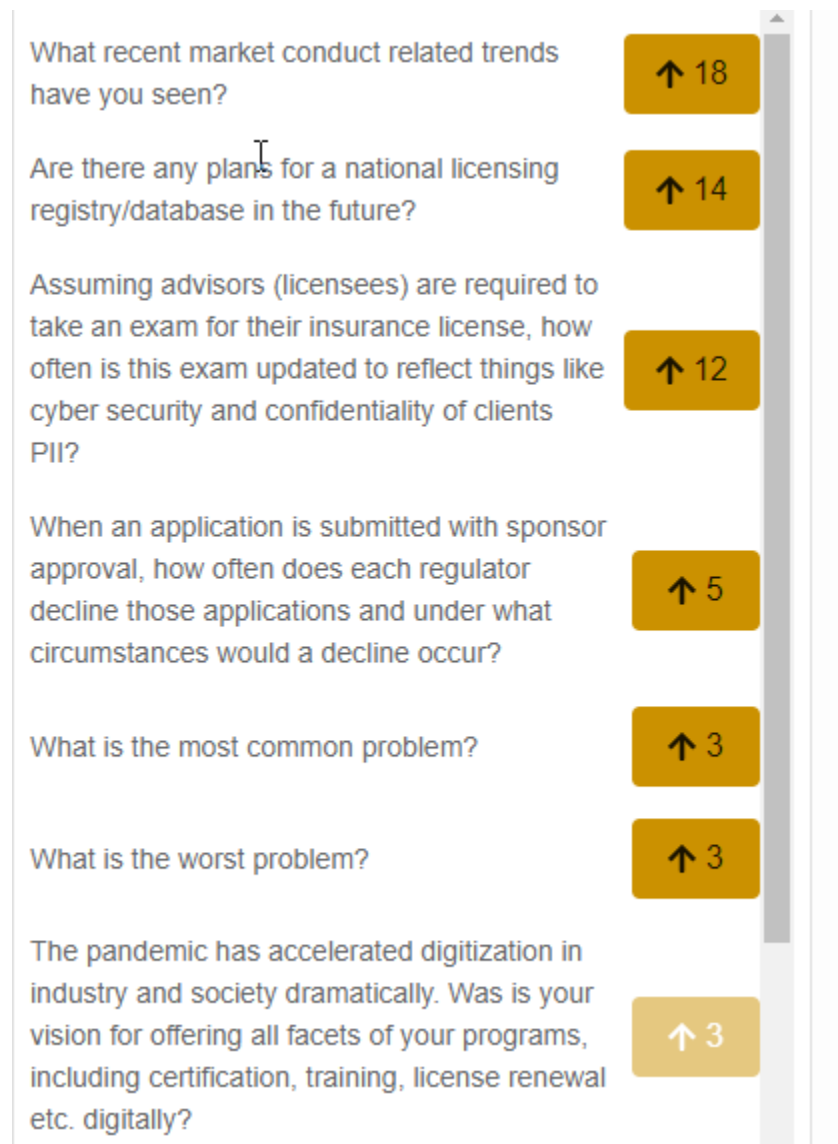


Illustration 17: Questions Posed by Attendees of the Regulatory Panel Ranked by Votes Received



Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 6(c)

Read Only Items: April 29/22 CAFII Response Submission to FSRA Consultation on “Principles-Based Regulation” Approach Guidance

Purpose of this Agenda Item – Read Only Item

This is a read only item.

Background Information

CAFII has made a regulatory submission to FSRA on its “Principles-Based Regulation” consultation document.

Recommendation / Direction Sought – Read Only Item

This is a read only item.

Attachments Included with this Agenda Item

1 attachment.

29 April, 2022

Mr. Mark White, CEO; and
Financial Services Regulatory Authority of Ontario
25 Sheppard Avenue West, Suite 100
Toronto, Ontario
M2N 6S6
mark.white@fsrao.ca; and
<https://www.fsrao.ca/engagement-and-consultations/seeking-input-proposed-principles-based-regulation-approach-guidance#comment>

RE: CAFII Feedback on FSRA's Proposed Principles-Based Regulation Approach Guidance

Dear Mr. White:

The Canadian Association of Financial Institutions in Insurance (CAFII) thanks the Financial Services Regulatory Authority (FSRA) of Ontario for the opportunity to provide comments on FSRA's *Proposed Principles-Based Regulation Approach Guidance*.

CAFII strongly supports a principles-based regulatory (PBR) approach. PBR produces the desired regulatory outcomes by engaging regulated entities directly in the regulator's objectives; and by rooting the regulatory regime in a strong foundation of dialogue and the pursuit of common objectives, it is more effective at achieving the desired outcomes than is a rules-based approach.

PBR is also better aligned with a regulatory regime designed around fair treatment of customers (FTC); and it optimally balances FTC with fostering and supporting industry innovation. As well, PBR is fully consistent with the increasingly prevalent recognition that the most important element in achieving FTC is focusing on the corporate culture of regulated entities.

In that regard, CAFII concurs with FSRA's assertion that "PBR is a regulatory and supervisory approach used by leading financial services regulators around the world. In addition to being an effective and efficient way to regulate and supervise regulated entities and individuals . . .," and that it facilitates a regulator's ability to

- *respond more quickly to technological changes, consumer and beneficiary needs, and disruptions in the financial services landscape;*
- *more effectively focus on desired regulatory outcomes and objectives to be achieved; and*
- *reduce regulatory burden through a more flexible regulatory approach, which allows regulated entities to determine how to best achieve adherence with outcomes based on their size, complexity, and risk profile. (page 2)*

Our Association supports FSRA's PBR framework principles, as we believe that they set out the key elements for successful regulatory outcomes. Critical elements include an outcomes-focused and risk-based approach, along with a collaborative and transparent-by-design operating model so that regulated entities can provide input and feedback and be fully trusting and confident partners in the process.

We concur that a customer-centric approach is central to successful PBR; and we applaud FSRA's complementary emphasis on fostering and supporting industry innovation, which will be critical to Ontario's ability to continue to thrive, remain the economic engine and heartland of Canada, and sustain a growing population and evolving society.

We also agree with FSRA's observation that supervisory and enforcement powers are necessary elements in a regulator's toolkit, and that without such powers the ability to implement and maintain a PBR approach could be undermined.

However, in that connection, one area of concern for our Association relates to the best way for FSRA to develop and utilize its enforcement powers. While CAFII has continuously supported FSRA's having Rule-making authority, viewing it as a positive development, we do have some concern about the process followed around the first Rule which FSRA has developed and implemented under its Rule-making authority, the Unfair or Deceptive Acts or Practices (UDAP) Rule.

The UDAP Rule contains measures which CAFII supports, but we are concerned about the fact that as FSRA's precedent-setting, first such Rule, it is very unique relative to pre-existing, parallel regulatory provisions in other provincial/territorial jurisdictions. We are troubled by the fact that this uniqueness undermines the objective of regulatory harmonization, something critically important to CAFII members given their accountability to 17 different provincial, territorial, and federal insurance regulators.

CAFII members, which are mainly the insurance arms of Schedule I Canadian banks and their insurer/underwriter partners, operate across the country in the life and health insurance sector; and, as such, they are provincially/territorially regulated. However, as federally regulated financial institutions (FRFIs), banks, some credit unions, and many insurers are also subject to federal regulation, including by the Financial Consumer Agency of Canada (Canada) and the Office of the Superintendent of Financial Institutions (OSFI).

Given the fact that our Association's members are subject to both federal and provincial/territorial regulation, CAFII constantly requests of regulators that they harmonize their expectations of regulated entities to the maximum extent possible.

Often, regulators in different provinces introduce regulatory requirements which have the exact same intent as existing requirements in another province or federally, but yet differ slightly in the details of how those expectations are defined, or are to be implemented and/or reported on by regulated entities.

In such cases, regulated entities must allocate significant resources to deciphering and adjusting to the nuanced differences from jurisdiction to jurisdiction. This time-consuming, costly, and attention-sapping "exception management" process diverts resources away from the essential consumer protection aspects of regulators' expectations.

In CAFII's view, it is always preferable that – before proceeding to develop and implement a new Rule -- a regulator should ask why a contemplated Rule is preferred to a Guideline; and also ask whether a contemplated Rule can be harmonized, in its design and development phase, with existing regulatory expectations in other jurisdictions; or, better yet, developed through a national co-ordinating body such as the Canadian Council of Insurance Regulators (CCIR) or the Canadian Insurance Services Regulatory Organisations (CISRO), as appropriate, and adopted thereafter by provincial/territorial regulators as their own. We regard that as the optimal approach, one which was deployed in 2018 in CCIR/CISRO's joint development of the "Guidance: Conduct of Insurance Business and Fair Treatment of Customers," which was subsequently adopted, unaltered, by many provincial/territorial regulators including FSRA.

On a go-forward basis, CAFII strongly encourages FSRA, in situations akin to the UDAP Rule, to lead an initiative at CCIR and/or CISRO to develop one national Guideline/Guidance on the matter at hand. That Guideline/Guidance would be developed on a harmonized, national basis similar to the manner in which the CCIR/CISRO FTC Guidance was developed, with shared, multi-jurisdiction compliance monitoring mechanisms built-in which give the Guidance the force and effect of a national Rule.

That said, CAFII applauds FSRA for discussing and airing some of the key issues around the intersection and complementarity between PBR and Rule-making via a panel session in the Authority's Exchange mini-conference on 27 January, 2022. CAFII's keen interest in that topic has resulted in our organizing an upcoming CAFII webinar on 3 May, 2022 on "*Principles-Based Regulation (PBR); The Emergence of Rule-Making Authority; and How They Work Together: A Complementary, Harmonious Fit Or 'Dynamic Tension' For Canada's Insurance Regulators?*" in which we will have Dr. Cristie Ford, who participated in the FSRA panel on PBR, along with leading insurance law expert Stuart Carruthers of Stikeman Elliott as our co-panelists. We have invited FSRA staff executives to attend this webinar, and we look forward to examining this important topic in more detail on 3 May.

CAFII thanks FSRA again for the opportunity to provide feedback on your consultation on *Proposed Principles-Based Regulation Approach Guidance*, and we look forward to continuing our dialogue with you on this critically important matter. We also express our appreciation for FSRA's continuing to "walk the talk" on its commitment to open and transparent communication and consultation. Should you require further information from CAFII or wish to meet with representatives from our Association on this or any other matter at any time, please contact Keith Martin, CAFII Co-Executive Director, at keith.martin@cafii.com or 647-460-7725.

Sincerely,



Rob Dobbins
Board Secretary and Chair, Executive Operations Committee

About CAFII

CAFII is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. Our Association was established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels. Our members provide insurance through client contact centres, agents and brokers, travel agents, direct mail, branches of financial institutions, and the internet.

CAFII believes consumers are best served when they have meaningful choice in the purchase of insurance products and services. Our members offer credit protection, travel, life, health, and property and casualty insurance across Canada. In particular, credit protection insurance and travel insurance are the product lines of primary focus for CAFII as our members' common ground.

CAFII's diverse membership enables our Association to take a broad view of the regulatory regime governing the insurance marketplace. We work with government and regulators (primarily provincial/territorial) to develop a legislative and regulatory framework for the insurance sector which helps ensure that Canadian consumers have access to insurance products that suit their needs. Our aim is to ensure that appropriate standards are in place for the distribution and marketing of all insurance products and services.

CAFII's members include the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Insurance; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Insurance – along with major industry players Assurant; Canada Life Assurance; Canadian Premier Life Insurance Company; Canadian Tire Bank; CUMIS Services Incorporated; Manulife (The Manufacturers Life Insurance Company); Sun Life; and Valeyo.

Agenda Item 2(c)(2)
May 17/22 EOC Meeting

From: Mark White <Mark.White@fsrao.ca>

Sent: April-30-22 10:46 AM

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

Cc: Rachel Olaso-Pezeshkian <Rachel.Olaso-Pezeshkian@fsrao.ca>

Subject: RE: CAFII Feedback On FSRA's Proposed "Principles-Based Regulation Approach Guidance"

Brendan, thanks for the thoughtful submission from CAFII.

While I will let the team consider this in detail along with all other submissions, I am appreciative of CAFII's support for our PBR approach and note your points on national harmonization, consistent enforcement and selection of rules vs guidance (with UDAP as an interesting example).

Mark

On May 2, 2022, at 9:05 AM, Brendan Wycks <brendan.wycks@cafii.com> wrote:

Thanks very much for this kind acknowledgement of our CAFII submission, Mark.

Much appreciated.

Glad to see that you've registered to attend our CAFII webinar tomorrow on PBR and Rule-making Authority, with Dr. Cristie Ford and Stuart Carruthers dialoguing with Keith on that very interesting topic.

Best regards,

Brendan Wycks, BA, MBA, CAE

Co-Executive Director

Canadian Association of Financial Institutions in Insurance

Brendan.wycks@cafii.com

From: Mark White <Mark.White@fsrao.ca>
Sent: May-02-22 11:47 AM
To: Brendan Wycks <brendan.wycks@cafii.com>
Cc: Rachel Olaso-Pezeshkian <Rachel.Olaso-Pezeshkian@fsrao.ca>
Subject: Re: CAFII Feedback On FSRA's Proposed "Principles-Based Regulation Approach Guidance"

Brendan it is great to see you hosting an event to further discussion in the area!

Mark

Sent by Mark White
Mark.white@fsrao.ca
437 928 9612

From: Mark White <Mark.White@fsrao.ca>
Sent: May-04-22 12:29 PM
To: Brendan Wycks <brendan.wycks@cafii.com>
Cc: Rachel Olaso-Pezeshkian <Rachel.Olaso-Pezeshkian@fsrao.ca>
Subject: RE: CAFII Feedback On FSRA's Proposed Principles of Conduct for Insurance Intermediaries

Brendan, thanks for the CAFII submissions on the insurance intermediaries work – I know our team will consider your comments carefully.

I also wanted to let you know that I found yesterday's webinar to be insightful and useful

Mark

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 6(d)

Read Only Items: May 3/22 CAFII Response Submission to FSRA Consultation on “Principles of Conduct for Insurance Intermediaries”

Purpose of this Agenda Item – Read Only Item

This is a read only item.

Background Information

CAFII has made a regulatory submission to FSRA on its “Principles of Conduct for Insurance Intermediaries.”

Recommendation / Direction Sought –Read Only Item

This is a read only item.

Attachments Included with this Agenda Item

1 attachment.

3 May, 2022

Mr. Mark White, CEO; and
Financial Services Regulatory Authority of Ontario
25 Sheppard Avenue West, Suite 100
Toronto, Ontario
M2N 6S6

mark.white@fsrao.ca; and

<https://www.fsrao.ca/engagement-and-consultations/consultation-proposed-principles-conduct-insurance-intermediaries>

RE: CAFII Feedback on FSRA's Proposed Principles of Conduct for Insurance Intermediaries:

Dear Mr. White:

The Canadian Association of Financial Institutions in Insurance (CAFII) thanks the Financial Services Regulatory Authority (FSRA) of Ontario for the opportunity to provide comments on FSRA's *Proposed Principles of Conduct for Insurance Intermediaries*.

As you may recall, credit protection insurance (CPI) and travel insurance are the products which bring CAFII members together in common cause within our Association. Our members offer optional life, critical illness, disability, and loss of employment CPI to consumers at the time that they are taking on a new debt obligation such as a mortgage, line of credit, car loan, or credit card. In addition to being regulated by provincial/territorial insurance regulators across Canada, CPI and travel insurance are also federally regulated as Authorized Insurance Products; and, as such, they are primarily offered by financial institution employees who are not individually licenced as insurance agents. That being the case, our Association is focused on FSRA's *Proposed Principles* mainly as they relate to "intermediaries not licensed with FSRA that have a role to play in distributing or servicing insurance products" (page 4).

CAFII strongly supports a principles-based regulatory (PBR) approach. PBR produces the desired regulatory outcomes by engaging regulated entities directly in the regulator's objectives; and by rooting the regulatory regime in a strong foundation of dialogue and the pursuit of common objectives, it is more effective at achieving the desired outcomes than is a rules-based approach.

PBR is also better aligned with a regulatory regime designed around fair treatment of customers (FTC); and it optimally balances FTC with fostering and supporting industry innovation. As well, PBR is fully consistent with the increasingly prevalent recognition that the most important element in achieving FTC is focusing on the corporate culture of regulated entities.

CAFII regards FSRA's *Proposed Principles of Conduct for Insurance Intermediaries* as being fully consistent with the Authority's commitment to principles-based regulation; and we therefore applaud, in particular, the following statement:

As the Principles of Conduct are aligned with the FTC Guidance, which has been and continues to be implemented by industry, the adoption of the Principles of Conduct should not create more burden. Because the Principles of Conduct are principles-based, industry has some latitude to determine how best to achieve the expected outcomes of this Guidance, and reasonably demonstrate application of this Guidance and the Principles of Conduct, as appropriate to the nature, size and complexity of their business operations and activities. (Pages 8-9.)

We also support and appreciate the fact that the *Proposed Principles* document is well-aligned with the International Association of Insurance Supervisors' Insurance Core Principle (ICP) 18, on Intermediaries, and ICP 19, on Conduct of Business; and that it also has a strong foundation in Canada's own *Guidance: Conduct of Insurance Business and Fair Treatment of Customers*, which was jointly developed and launched on a nationally co-ordinated basis by CCIR and CISRO in 2018.

We are pleased by the fact that FSRA does not take a "one size fits all" approach in the *Proposed Principles*; and we therefore strongly concur with the Authority that

All insurance intermediaries and insurers should conduct their business following the Principles of Conduct that are relevant to their role in the industry. Expectations for conduct may differ depending on the nature of the relationship to the customer, the type of insurance provided, and the distribution method. (Page 6.)

However, that said, we do have two important concerns to raise with respect to the *Proposed Principles*.

Our first concern stems from the statement that "*In the future, FSRA intends to assess the potential for incorporating the Principles of Conduct into the UDAP rule*" (Page 6), as we believe that doing that could give rise to possible deviations from a principles-based regulatory approach, unless it is positioned with exceptional care and handled in the same manner on an ongoing basis.

Our concern about the contemplated incorporation of the *Proposed Principles* into FSRA's recently developed UDAP rule would be somewhat mitigated if it is clearly stated that the *Proposed Principles*' becoming a component part of the UDAP rule is solely for the purposes of creating a 'fall-back measure', i.e. to provide enforcement capabilities to FSRA in cases where a regulated entity is clearly not adhering to the *Proposed Principles*. As a general rule, however, CAFII strongly believes that the Authority's first avenue for ensuring proper behaviour among industry participants should be through the *Proposed Principles* itself as a stand-alone document.

Our second issue of concern relates to implementation of the *Proposed Principles*.

CAFII and its members strongly believe that industry participants' adherence to the *Proposed Principles* is far more important than having the industry share the *Principles* with and explain them to customers. For example, delivering fair treatment of customers in all of its facets is exceedingly more important than would be any requirement for industry players to explain to consumers that the interactions they are experiencing conform with FSRA's expectations around *Principles of Conduct for Insurance Intermediaries*.

With respect to this matter, CAFII is troubled by the assertion that "*It is expected that intermediaries and insurers that directly distribute insurance, share and explain the Principles of Conduct to customers*" (Page 7) because we view the imposition of such a communication requirement as something that will only confuse consumers by muddying the waters; distract them with what are largely "internal industry considerations"; and undermine and detract from the positive aspects of their user experience in the purchase of insurance protection.

All things considered, CAFII believes that FSRA's *Proposed Principles of Conduct for Insurance Intermediaries* is a positive step forward and one that strikes the right balance between consumer protection and avoiding burdensome regulation.

However, we ask that full and serious consideration be given to addressing the two issues of concern which we have raised in this submission. Doing so, in our estimation, will both clarify and strengthen the *Proposed Principles* and lead to greater success in their implementation.

CAFII again thanks FSRA for the opportunity to provide feedback on the *Proposed Principles of Conduct for Insurance Intermediaries*, and we look forward to continuing to dialogue with the Authority on this important matter. We convey again our ongoing appreciation for FSRA's continuing to "walk the talk" on its commitment to open and transparent communication and consultation. Should you require further information from CAFII or wish to meet with representatives from our Association on this or any other matter at any time, please contact Keith Martin, CAFII Co-Executive Director, at keith.martin@cafii.com or 647-460-7725.

Sincerely,



Rob Dobbins
Board Secretary and Chair, Executive Operations Committee

About CAFII

CAFII is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. Our Association was established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels. Our members provide insurance through client contact centres, agents and brokers, travel agents, direct mail, branches of financial institutions, and the internet.

CAFII believes consumers are best served when they have meaningful choice in the purchase of insurance products and services. Our members offer credit protection, travel, life, health, and property and casualty insurance across Canada. In particular, credit protection insurance and travel insurance are the product lines of primary focus for CAFII as our members' common ground.

CAFII's diverse membership enables our Association to take a broad view of the regulatory regime governing the insurance marketplace. We work with government and regulators (primarily provincial/territorial) to develop a legislative and regulatory framework for the insurance sector which helps ensure that Canadian consumers have access to insurance products that suit their needs. Our aim is to ensure that appropriate standards are in place for the distribution and marketing of all insurance products and services.

CAFII's members include the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Insurance; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Insurance – along with major industry players Assurant; Canada Life Assurance; Canadian Premier Life Insurance Company; Canadian Tire Bank; CUMIS Services Incorporated; Manulife (The Manufacturers Life Insurance Company); Sun Life; and Valeyo.

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 6(e)

Read Only Items: List Of Government, Insurance Policy-Maker, and Regulator Registrants for May 3/22

CAFII Webinar On “Principles-Based Regulation (PBR); The Emergence of Rule-Making Authority; and How They Work Together: A Complementary, Harmonious Fit Or ‘Dynamic Tension’ For Canada’s Insurance Regulators?”

Purpose of this Agenda Item – Read Only Item

This is a read only item.

Background Information

CAFII had an impressive list of regulator, policy-maker, and government officials register for its May 3, 2022 webinar and the list is attached here.

Recommendation / Direction Sought –Read Only Item

This is a read only item.

Attachments Included with this Agenda Item

1 attachment.

First Name	Last Name	Email	Organization
Laurie	Balfour	Laurie.balfour@gov.ab.ca	Alberta Insurance Rate Board
Brent	Rathgeber	brent.rathgeber@outlook.com	Alberta Insurance Council
Joanne	Abram	jabram@abcouncil.ab.ca	Alberta Insurance Council
Zabeda	Yaqoob	zyaqoob@abcouncil.ab.ca	Alberta Insurance Council
Denis	Poirier	denis.poirier@lautorite.qc.ca	Autorité des marchés financiers
Mario	Beaudoin	mario.beaudoin@lautorite.qc.ca	Autorité des marchés financiers
Thomas	Taller	thomas.taller@bcfsa.ca	BC Financial Services Authority
Lucas	Neufeld	lucas.neufeld@bcfsa.ca	BC Financial Services Authority
Erin	Morrison	Erin.Morrison@BCFSA.ca	BC Financial Services Authority
Fran	Niegemann	franziska.niegemann@bcfsa.ca	BC Financial Services Authority
Harry	James	harry.james@bcfsa.ca	BC Financial Services Authority
doug	foster	doug.foster@gov.bc.ca	BC govt - Finance
Evan	Kelly	Evan.Kelly@gov.bc.ca	BC Ministry of Finance
Joseph	Primeau	Joseph.Primeau@gov.bc.ca	BC Ministry of Finance
Nicole	Vukos	nicole.vukosavljevic@gov.bc.ca	BC Public Service
Adrienne	Warner	adrienne.warner@fsrao.ca	CISRO
Gary	Gehring	gary.gehring@gov.sk.ca	Financial and Consumer Affairs Authority of Saskatchewan
Robert	Picard	robert.picard@fcnb.ca	Financial and Consumer Services Commission - New Brunswick
Lisa	Liesch	lieschlisa@gmail.com	Financial and Consumer Affairs Authority of Saskatchewan
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Catherine	Haines	catherine.haines@fcnb.ca	Financial and Consumer Services Commission - New Brunswick
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Benny	Cheung	benny.cheung@fsrao.ca	Financial Services Regulatory Authority of Ontario
Raseema	Alam	raseema.alam@fsrao.ca	Financial Services Regulatory Authority of Ontario
Alex	Lambrecht	alex_lambrecht@gov.nt.ca	Government of North West Territories
Thembi	Mathwasa	thembi.mathwasa@gov.ab.ca	Government of Alberta
Kari	Toovey	kari.toovey@gov.bc.ca	Government of BC
Anita	Mlinar	amlinar@insurancecouncilofbc.com	Insurance Council of BC
Brett	Thibault	bthibault@insurancecouncilofbc.com	Insurance Council of BC
Melinda	Lau	mlau@insurancecouncilofbc.com	Insurance Council of BC
April	Stadnek	april.stadnek@skcouncil.sk.ca	Insurance Councils of Saskatchewan
Jennifer	CALDER	jennifer.calder@novascotia.ca	Nova Scotia Government
Michael	Weisman	michael.weisman@ontario.ca	Ontario Ministry of Finance
Darrell	Leadbetter	darrell.leadbetter@osfi-bsif.gc.ca	Office of the Superintendent of Financial Institutions (OSFI)

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 7(a)

***In Camera* Session: Recent CAFII Implementation Steps Re Industry Consensus/Unity Position That AMF's Fact Sheet and Notice of Rescission Do Not Need To Be Distributed To Card Holders With Embedded Insurance Benefits At This Time**

Purpose of this Agenda Item – *In Camera* Session

This is an *in camera* session item.

Background Information

CAFII has obtained from the AMF a commitment that the Fact Sheet and Notice of Rescission do not need to be distributed to holders of credit cards with embedded insurance benefits at this time. This is an update on the status of CAFII members' approach to this file.

Recommendation / Direction Sought –*In Camera* Session

This is an *in camera* session item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 7(b)

***In Camera* Session: Members' Contributions to CAFII's Advancement Through Contribution of Volunteer Resources to Committee Chair, Vice-Chair, and Member Roles As At May 30/22**

Purpose of this Agenda Item – *In Camera* Session

This is an *in camera* session item.

Background Information

CAFII has made much progress in its efforts to have a Chair and Vice-Chair for each CAFII Committee. This is an update on the status of this initiative.

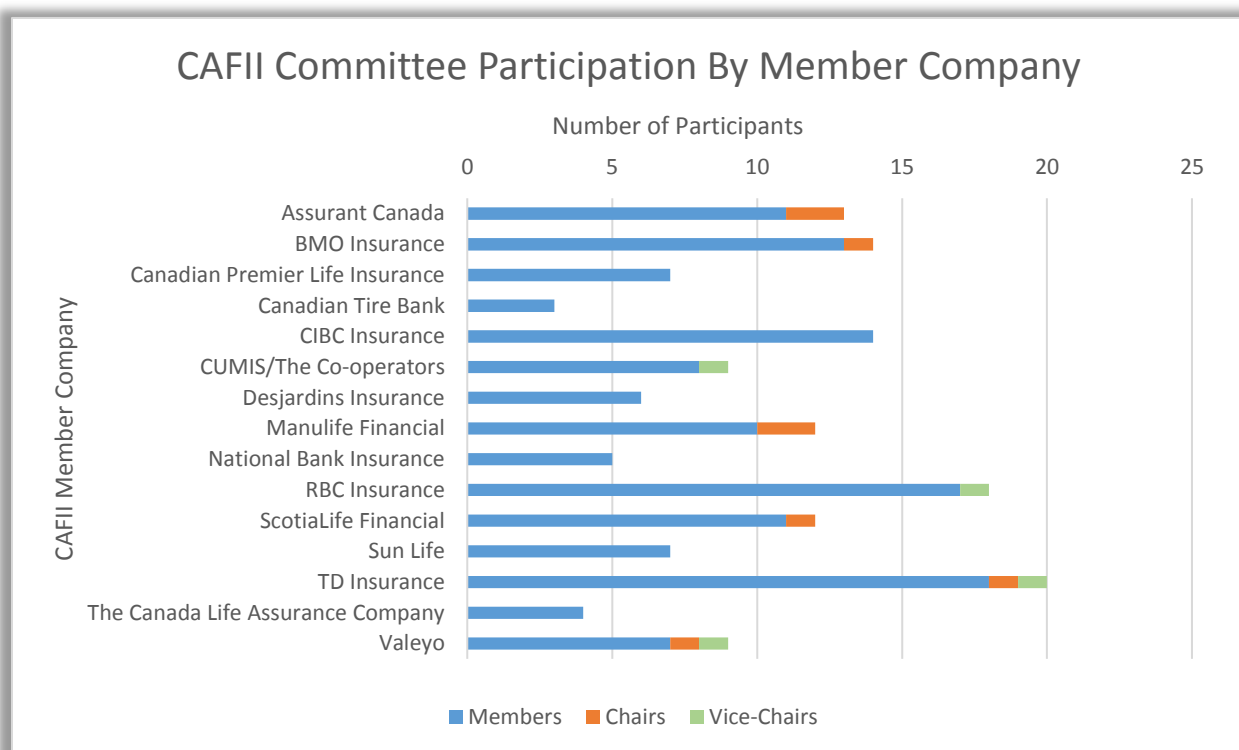
Recommendation / Direction Sought –*In Camera* Session

This is an *in camera* session item.

Attachments Included with this Agenda Item

1 attachment.

CAFII Member Company Committee & Working Group Involvement



Notes: Acting Chairs and Vice-Chairs of Committees & Working Groups were also counted as Members of that same Committee or Working Group. See below the raw data count of each Member company's Committee/Working Group participation.

Company	Members	Chairs	Vice-Chairs	Total
Assurant Canada	11	2	0	13
BMO Insurance	13	1	0	14
Canadian Premier Life Insurance	7	0	0	7
Canadian Tire Bank	3	0	0	3
CIBC Insurance	14	0	0	14
CUMIS/The Co-operators	8	0	1	9
Desjardins Insurance	6	0	0	6
Manulife Financial	10	2	0	12
National Bank Insurance	5	0	0	5
RBC Insurance	17	0	1	18
ScotiaLife Financial	11	1	0	12
Sun Life	7	0	0	7
TD Insurance	18	1	1	20
The Canada Life Assurance Company	4	0	0	4
Valeyo	7	1	1	9

Briefing Note

CAFII Board Meeting 7 June 2022—Agenda Item 7(c)
***In Camera* Session: Other Business**

Purpose of this Agenda Item – *In Camera* Session

This is an *in camera* session item.

Background Information

This is an opportunity for CAFII Board members to raise any other issues they would like to address in the Board's *in camera* session.

Recommendation / Direction Sought –*In Camera* Session

This is an *in camera* session item.

Attachments Included with this Agenda Item

No attachments.