

**CAFII Board of Directors Agenda
Hybrid Meeting**

Date: Tuesday, December 5, 2023
Chair: P. Thompson
Host: Scotia Insurance
Location: 40 Temperance Street, 10th Floor, Toronto, Ontario
Virtual: [Virtual Meeting Link](#)

Time: 3:00 – 5:00 p.m. EST
Dial-In: 437-880-3267
Phone Conference ID: 304 330 335
Meeting Password: 26564456
Dial-In (Audio Only): [One-Click Connect](#)

1. Welcome, Call to Order, Meeting Confirmation, and Board Constitution Matters	3:00 p.m.	Presenter	Action	Document
a. Welcome and Call to Order	3:00 p.m.	P. Thompson		
b. Land Acknowledgment	3:01 p.m.	W. Hewitt		
c. Welcome to New CAFII Director: Andrew Kugler, Manulife	3:03 p.m.	P. Thompson		✓ (2)
d. Declaration of Meeting Properly Called and Constituted	3:05 p.m.	P. Thompson		
e. Approval of Agenda	3:05 p.m.	P. Thompson		

2. Consent Items	3:06 p.m.	Presenter	Action	Document
a. Draft Minutes of October 10/23 CAFII Board Meeting				✓
b. Summary of Board and EOC Action Items				✓
c. October 2023 and November 2023 Regulatory Updates				✓ (2) One Update Will Come After Meeting
d. Consultations/Submissions Timetable				✓
e. Regulatory and Policy-Maker Visit Recap				✓
f. Committee Reports Addressing CAFII Priorities				✓
g. Board-Approved CAFII 2024 Schedule of Meetings and Events				✓

3. Governance Matters	3:08 p.m.	Presenter	Action	Document
a. CAFII-Relevant News from Securian Canada	3:08 p.m.	N. Branker	Update	
b. Implementation of Board-Approved “New CAFII Management Structure (Post-2023)”	3:10 p.m.	K. Martin	Update	✓

4. Financial Management	3:13 p.m.	Presenter	Action	Document
a. CAFII Financial Statements as at October 31/23	3:13 p.m.	D. Hinnecke	Update/ Approval	✓
b. Forecast for CAFII 2023 Fiscal Year as at October 31/23	3:17 p.m.	D. Hinnecke	Update	✓
c. Proposed 2024 Operating Budget ¹ (may be assigned to In Camera Session, following initial discussion, if desired by Board)	3:21 p.m.	D. Hinnecke/ K. Martin	Update/ Discussion	✓

5. Strategic and Regulatory Matters	3:36 p.m.	Presenter	Action	Document
a. CAFII Implications of Eric Jacob’s Transition into AMF Head of Enforcement Role and Departure as Superintendent, Client Services and Distribution Oversight	3:36 p.m.	K. Martin	Update/ Discussion	✓
b. Insights Gained from November 24/23 Quarterly Virtual Liaison Meeting Between CAFII Board Chair P. Thompson and AMF Superintendent E. Jacob	3:41 p.m.	P. Thompson/ K. Martin	Update/ Discussion	✓
c. Plans for December 14/23 Hybrid Get Acquainted and Dialogue Meeting with AMF’s New CEO Yves Ouellet	3:45 p.m.	K. Martin	Update	✓
d. Insights Gained from Recent CAFII Insurance Regulator and Policy-Maker Tour Visits:	3:48 p.m.	K. Martin/ B. Wycks	Update/ Discussion	✓
i. Meeting with Nova Scotia Superintendent of Insurance and Staff Members, October 18/23	3:48 p.m.			
ii. Meeting with Newfoundland and Labrador Superintendent of Insurance and Staff Members, October 19/23	3:52 p.m.			
e. Update on November 29/23 Special-Purpose EOC and Quebec/AMF Issues Committee Meeting on the RSM Canada Study on Attrition of Spousal Insurance Policies in Quebec	3:56 p.m.	K. Martin/ F. Naranjo/ J. Wong	Update/ Discussion	

¹ Plan/expectation is that Proposed 2024 Operating Budget will be discussed in open portion of this Board meeting; further discussed in In Camera Session of this meeting, if desired by the Board; and then approved in January 2024 via either an Electronic Vote of the Board, Outside of a Board Meeting or a Special Purpose Board Meeting.

i. Possible Release of RSM Canada Study on Attrition of Spousal Insurance Policies in Quebec to the AMF	4:06 p.m.	P. Thompson/ K. Martin	Discussion/ Approval	Separate Report Prior to Meeting
f. Next Steps in Completed CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments	4:11 p.m.	K. Martin	Update/ Discussion	
g. Introduction of CAFII's New Media Consultant, Wendy Bairos	4:15 p.m.	K. Martin	Update/ Discussion	✓
h. Plans for December 5/23, 5:30 to 7:30 p.m. CAFII Year-End/Holiday Season Reception, Immediately Following This Board Meeting	4:23 p.m.	S. Smith	Update	

6. Read Only Items	4:25 p.m.	Presenter	Action	Document
a. Final Version of CISRO 2023 to 2026 Strategic Plan (Released on October 3/23)				✓ (2)
b. Insurance Council of BC 2022-2023 Annual Report (Released on October 4/23)				✓ (2)
c. Plans for CAFII Presentation to FCAC in Q1 2024 in Ottawa				Briefing Note Only
d. Insights Gained from CAFII October 26/23 Webinar on "Words Matter"				✓
e. Responses Received from Atlantic Canada Insurance Regulators and Policy-Makers to CAFII Dissemination of Physical Copy of its 2023 Research Results-Focused Presentation Deck (Utilized in 2023 Atlantic Canada Tour Visits)				✓
f. Results of FSRA Survey of Sectoral Advisory Committee on FSRA's Performance				✓
g. November 13/23 CAFII Submission to FSRA on "2024-2025 Statement of Priorities and Budget"				✓
h. November 17/23 CAFII Submission to CCIR on Type and Nature of Complaints to Be Disclosed Through Annual Statement on Market Conduct (ASMC) via Complaint Report Tool				✓
i. CAFII Consultation Opportunity Re Ontario Government Proposal to Reduce Minimum Consultation Period for FSRA and OSC Rule-Related Consultations from 90 Days to 60 Days (Submission Deadline: December 4/23)				✓ (2)
j. Draft CAFII Submission Letter to FCNB on Lingering Problematic Issues Re Rule INS-001 and Licensing Portal for New Brunswick Restricted Insurance Representative (RIR) Regime				Briefing Note Only
k. Insights Gained from November 1/23 FCAC In-Person Launch Event for Financial Literacy Month in Ottawa				✓
l. Insights Gained from November 16/23 KPMG "Shaping the Future" Insurance Conference				Briefing Note Only
m. Insights Gained from K. Martin's Participation as Judge in "2023 Insurance Business Canada Awards" and Attendance at November 16/23 Awards Gala				Briefing Note Only
n. Insights Gained from In-Person/Hybrid Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to FSRA Staff Executives on November 15/23				✓
o. CAFII Policy On Association Executive Staff Annual Performance Review				✓

7. In-Camera Session (Suggested Agenda Topics)	4:25 p.m.	Presenter	Action	Document
a. Board Support Request for Additional Membership on the DEI Working Group		R. Dobbins		
b. Update on Co-Executive Director Performance Review Process		R. Dobbins/ K. Kasperski		
c. Proposed CAFII 2024 Operating Budget		D. Hinnecke/ R. Dobbins/ K. Kasperski		✓ (see item 4c)

Next Board Meeting: Tuesday, April 9, 2024, 3:00 to 5:00 p.m. EDT, followed by 5:30 to 7:30 p.m. Reception (Hybrid Meeting, Hosted by Assurant Canada at Private Venue in Downtown Toronto)

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 1(a)

Welcome, Call to Order, Meeting Confirmation, and Board Constitution Matters—Welcome and Call to Order

Purpose of this Agenda Item—*Start of Meeting*

Formal start of meeting.

Background Information

The meeting will be called to order by Board of Directors Chair Peter Thompson.

Recommendation / Direction Sought—*Start of Meeting*

Start of meeting.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 1(b)

Welcome, Call to Order, Meeting Confirmation, and Board Constitution Matters—Land Acknowledgement

Purpose of this Agenda Item—*Start of Meeting*

To acknowledge all traditional lands and territories.

Background Information

CAFII Board Member Wayne Hewitt will deliver the land acknowledgement.

Recommendation / Direction Sought—*Start of Meeting*

No action required.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 1(c)

Welcome, Call to Order, Meeting Confirmation, and Board Constitution Matters—Welcome to New CAFII Director: Andrew Kugler, Manulife

Purpose of this Agenda Item—Update/Start of Meeting

Welcome Andrew Kugler and provide an opportunity for a self-introduction to the Board.

Background Information

Board Chair Peter Thompson will call upon Andrew Kugler to introduce himself as the new CAFII Director from Manulife.

Recommendation / Direction Sought—Update/Start of Meeting

Update Only.

Attachments Included with this Agenda Item

Two (2) attachments.

CAFII Electronic Board Vote Results: Andrew Kugler Appointed To CAFII Board of Directors

Shanay Smith <Shanay.Smith@cafii.com>

Thu 2023-11-09 1:27 PM

To: Andrew Kugler <Andrew_Kugler@manulife.ca>; Peter Thompson <Peter.Thompson@bnc.ca>; Paul Cosgrove <paul.cosgrove@assurant.com>; Thomas, Rohit <Rohit.Thomas@bmo.com>; Nigel Branker <Nigel.Branker@canadianpremier.ca>; Adam Vespi <adam.vespi@ctfs.com>; Rahul.Kakar@Chubb.com <Rahul.Kakar@Chubb.com>; Ian Oncea <ian.oncea@cibc.com>; Heather McLachlin <heather_mclachlin@cooperators.ca>; Simon Lacroix-Hubert <simon.lacroixhubert@dsf.ca>; Wally Thompson <wallace_thompson@manulife.ca>; Wayne Hewitt <wayne.hewitt@scotiabank.com>; Valerie Gillis <valerie.gillis@td.com>; Louie Georgakis <louie_Georgakis@canadalife.com>; Nicole Benson <nicole.benson@valeyo.com>; Julie Gaudry <julie.gaudry@rbc.com>
Cc: Keith Martin <Keith.Martin@cafii.com>; Brendan Wycks <brendan.wycks@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>; Rob Dobbins <rob.dobbins@assurant.com>; Karyn Kasperski <karyn.kasperski@rbc.com>; Jennifer Russell <Jennifer.russell@assurant.com>; Martin Boyle <martin.boyle@bmo.com>; Tejal Harri-Morar <Tejal.HarriMorar@bmo.com>; John Burns <john.burns@securiancanada.ca>; Deliska Beauregard <Deliska.Beauregard@canadianpremier.ca>; Farhad Eslah <Farhad.Eslah@ctfs.com>; Cynthia Golubic <Cynthia.Golubic@ctfs.com>; Catherine Latulippe <Catherine.Latulippe@ctfs.com>; Afzal Baig <afzal.baig@chubb.com>; John Juba <john.juba@chubb.com>; Konstance Allain <konstance.allain@cibc.com>; Lauren Ross <Lauren.Ross@cibc.com>; David Self <David.Self@wi.cibc.com>; Michelle Costello <michelle.costello@cumis.com>; Casandra Litniansky <casandra.litniansky@cumis.com>

 1 attachments (94 KB)

Andrew Kugler - Capsule Biography 2023.pdf;

I am pleased to announce that Andrew Kugler, Vice-President, Head of Distribution, Affinity Markets Canada, Manulife, has been appointed to the CAFII Board of Directors as the Director from Manulife, effective November 9, 2023.

Twelve (12) of the current fourteen (14) CAFII Directors have voted on the Motion proposed by Rohit Thomas and seconded by Wayne Hewitt In Favour, well in excess of the two-thirds majority affirmative vote required for a Motion to be passed under Article 5.14: Voting By Electronic Means, Outside of a Board Meeting as set out in CAFII's By-Law No.1.

Andrew - welcome to the CAFII Board of Directors! I know that your fellow CAFII Directors and everyone else involved in our Association looks forward to meeting you at the CAFII Board meeting on December 5, 2023, and to having the benefit of your experience and insights in the Board's deliberations.

Shanay Smith

Operations Manager

Canadian Association of Financial Institutions in Insurance

L'Association Canadienne des Institutions Financières en Assurance

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[Visit the CAFII LinkedIn Page](#)

Andrew Kugler

VP, Head of Distribution

Affinity Markets Canada

Andrew is the national head of Affinity Distribution in Canada having joined this team in August 2023. His current responsibility is to build new client relationships, nurture existing ones and establish new markets for Affinity Distribution's growth into the future. His primary areas of focus are in the following broad sales channels: Travel Agency Insurance (in both Canada and the US), mortgage creditor market, key association accounts, direct and broker channels and overall strategic new business development. Insurance products sold through channels primarily consist of individual health, dental, travel, mortgage creditor, term life and disability insurance.



Prior to this, Andrew was the national head of small business distribution for Manulife Group Benefits in Canada. He has also served as the Pricing Officer for Affinity Markets Canada and Group Benefits Canada and held the positions of AVP, Expense Management, Canadian Segment, AVP and Actuary, Canadian Risk Management and AVP for Manulife Reinsurance in Barbados.

Andrew joined Manulife at the end of 2004 and has spent half his career leading and interacting with the various group benefit distribution, pricing and underwriting teams.

Andrew holds a B.Sc. in Actuarial Mathematics from the University of Waterloo. He is a Fellow of the Canadian Institute of Actuaries (FCIA) and is a Fellow of the Society of Actuaries (FSA) in the United States.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 1(d)

Welcome, Call to Order, Meeting Confirmation, and Board Constitution Matters—Declaration of Meeting Properly Called and Constituted

Purpose of this Agenda Item—*Start of Meeting*

To declare the meeting properly called and constituted.

Background Information

The meeting will be called and constituted by Chair Peter Thompson.

Recommendation / Direction Sought—*Start of Meeting*

No action required.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 1(e)

Welcome, Call to Order, Meeting Confirmation, and Board Constitution Matters—Approval of Agenda

Purpose of this Agenda Item—Approval

Approval of the agenda.

Background Information

Chair Peter Thompson will ask the Board to approve the agenda for today's meeting.

Recommendation / Direction Sought—Approval

Approval will be sought.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 2(a-g) Consent Items

Purpose of this Agenda Item—Information Only

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

Background Information

Chair Peter Thompson will present the following consent items, none of which require any discussion or decision:

- a. Draft Minutes of October 10/23 CAFII Board Meeting
- b. Summary of Board and EOC Action Items
- c. October 2023 and November 2023 Regulatory Updates – *November regulatory update to be distributed after the meeting.*
- d. Consultations/Submissions Timetable
- e. Regulatory and Policy-Maker Visit Recap
- f. Committee Reports Addressing CAFII Priorities
- g. Board-Approved CAFII 2024 Schedule of Meetings and Events

Recommendation / Direction Sought— Receipt for the Record or Approval via Single Omnibus Motion

Chair Peter Thompson will call for a Board resolution to approve the Draft Minutes of the October 10/23 CAFII Board Meeting (item 2(a)); and to receive for the record Consent Items 2(b) through 2(g), via a single omnibus motion.

Attachments Included with this Agenda Item

Seven (7) attachments – *one attachment will come after the meeting.*

*Agenda Item 2 a
December 5/23 Board Meeting*

**BOARD MEETING
CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE
In-Person/Hybrid Meeting at RBC Insurance in Montreal, Quebec
Tuesday, October 10, 2023
2:20 to 4:00 p.m. EDT
Minutes**

Board Members

Present In Person:

Peter Thompson, National Bank Insurance
Paul Cosgrove, Assurant Canada
Heather McLachlin, CUMIS Services Inc./The Co-operators
Louie Georgakis, The Canada Life Assurance Company
Julie Gaudry, RBC Insurance
John Burns (surrogate for Nigel Branker), Securian Canada

Virtually:

Adam Vespi, Canadian Tire Bank
Ian Oncea, CIBC Insurance
Rohit Thomas, BMO Insurance
Rahul Kakar, Chubb Life Insurance Company of Canada
Wayne Hewitt, Scotia Insurance
Wally Thompson, Manulife; outgoing Board member
Andrew Kugler, Manulife; incoming Board member
Valerie Gillis, TD Insurance
Nicole Benson, Valeyo
Simon Lacroix-Hubert, Desjardins Insurance

Regrets:

None

Also Present:

Rob Dobbins, EOC Chair and Board Secretary, Assurant Canada
Karyn Kasperski, EOC Vice Chair, RBC Insurance
Donald Hinnecke, Treasurer, RBC Insurance
Brendan Wycks, Co-Executive Director, CAFII
Keith Martin, Co-Executive Director, CAFII
Robyn Jennings, Research Analyst, CAFII
Shanay Smith, Operations Manager, CAFII (virtual-only)
Pamela Hicks, Association Administrator, Managing Matters

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

CAFII Board Chair Peter Thompson welcomed all to this meeting of the CAFII Board of Directors, which was held at RBC Insurance in Montreal, Quebec, as well as virtually on the Microsoft Teams platform, and called the meeting to order at 2.24 p.m. Robyn Jennings acted as Recording Secretary.

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

Board Secretary Rob Dobbins confirmed that there was Boarduorum for the meeting and that the meeting was properly called and constituted.

Item 1(b): Welcome to New CAFII Staff Members and Managing Matters Support Team Member Robyn Jennings, Research Analyst; Shanay Smith, Operations Manager; and Pamela Hicks, Association Administrator.

CAFII Chair Peter Thompson welcomed and introduced CAFII's two new staff members, Robyn Jennings (Research Analyst) and Shanay Smith (Operations Manager) and Managing Matters' on-site support team member Pamela Hicks (Association Administrator).

Item 1(c): Approval of Agenda.

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

Item 2: Consent Items.

*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.*

The consent items approved are as follows:

- a. Draft Board Meeting Minutes, June 6, 2023
- b. May 31/23 CAFII Submission to FSRA on "Proposed Guidance: Administrative Monetary Penalties"
- c. Summary of Board and EOC Action Items
- d. June/July 2023 Regulatory Update
- e. September 2023 Regulatory Update
- f. Consultations/Submissions Timetable
- g. Regulator and Policy-Maker Visit Plan Recap
- h. Committee Reports Addressing CAFII Priorities
- i. Board-Approved CAFII 2023 Schedule of Meetings and Events

*Further, **IT WAS RESOLVED** that the minutes of the meeting of the CAFII Board of Directors held June 6, 2023, be and are adopted in the form presented and that copies of those minutes be signed and placed in the minute book of the Corporation.*

Item 3: Governance Matters.

Item 3(a): Retirement of Wally Thompson, Manulife Financial; and Appointment of Andrew Kugler, Vice President, Head of Distribution, Affinity Markets Canada, Manulife as New CAFII Board Member.

CAFII Chair Peter Thompson called upon CAFII Director and current Board Vice-Chair Wally Thompson (Manulife) to update the board on his retirement, which will begin as of Friday, October 14/23. W. Thompson will be succeeded at Manulife and on the CAFII Board by Andrew Kugler. A. Kugler's appointment to the Board will be done by electronic vote and on an expedited basis. Great thanks were expressed to W. Thompson for his time with CAFII.

Item 3(b): Appointment of Paul Cosgrove, President & CEO, Assurant Canada, as New CAFII Board Vice-Chair.

CAFII Chair Peter Thompson updated the Board on the Association's current Board Vice-Chair situation; and sought its approval for the appointment of Paul Cosgrove (President and CEO, Assurant Canada) as the new Vice Chair for CAFII's Board of Directors. The CAFII nominating committee unanimously nominated Paul Cosgrove as the Board Vice Chair.

On a motion duly made, seconded, and carried, **IT WAS RESOLVED** that Paul Cosgrove be and is accepted as the CAFII Board's new Vice Chair.

Item 3(c): Implementation of Board-Approved "New CAFII Management Structure (Post 2023)."

CAFII Co-Executive Director Keith Martin updated the Board on the implementation of the Board-approved new CAFII management structure (post-2023). This new structure is in response to Co-Executive Director Brendan Wycks' impending retirement. As a result, CAFII has hired two new staff members – Shanay Smith (Operations Manager) and Robyn Jennings (Research Analyst), reporting to Keith Martin as the sole Executive Director.

As K. Martin explained, since the learning curve for CAFII and industry is steep, the onboarding process will continue into 2024. One key result of the new management structure is the creation of a Policies & Procedures Manual (P&P), currently being developed by S. Smith. This will act as a repository of documentation on all CAFII deliverables and processes. The goal of the P&P Manual is to have a permanent record of all CAFII procedures, policies, timelines and deadlines, key terms, and general information.

Item 3(d): Proposed 2024 Schedule of CAFII Meetings and Events

CAFII Co-Executive Director Brendan Wycks informed the Board of the CAFII Proposed 2024 Schedule of Meetings and Events.

As explained, in 2024 and as per member requests, there will be no EOC or Board meetings following any holiday or three-day weekend. The 11 EOC meetings were tabled in the schedule of events that was circulated to Board members as part of the consolidated package.

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the Proposed 2024 Schedule of CAFII Meetings and Events be and is approved, as presented.*

Item 4: Financial Management

Item 4(a): CAFII Financial Statements as at August 31/23

Treasurer Donald Hinnecke provided an overview of the Association's financial statements as at August 31, 2023, noting that CAFII was in a strong financial position and will finish 2023 with a significant fiscal year surplus mainly due to some expenses, such as legal fees, travel, and event costs, not having been incurred.

Item 4(b): Forecast for CAFII 2023 Fiscal Year as at August 31/23.

Treasurer Donald Hinnecke provided an update on the forecast for CAFII's 2023 fiscal year as at August 31, 2023, noting that CAFII will be well-positioned for the 2024 fiscal year. There may still be some expenses incurred before the new year in connection with the expenses incurred for the CAFII Regulatory and Policy-Maker Tours.

Item 4(c): Critical Path for Development of 2024 CAFII Operating Budget, Including Proposal from Operatic Agency for Development of New Back End of CAFII Website

Co-Executive Directors Keith Martin and Brendan Wycks updated the Board on the development of the 2024 budget. A proposed budget will be presented to the EOC for endorsement, following which it will be presented to the Board for approval. The 2024 budget will include a one-time \$40K expense for a rebuilding of the CAFII intranet, or website backend. Because this is a sizeable one-time expense, the Board is being asked to support proceeding with this investment separately.

*On a motion duly made, seconded, and unanimously carried, **IT WAS RESOLVED** that the Proposal from Operatic Agency for the Development of a New Back End of the CAFII Website be and is approved, as presented.*

Item 5: Strategic and Regulatory Matters

Item 5(a): Debrief Discussion on Just-Completed 'Industry Issues Dialogue' with AMF Staff Executives

See item 5(b) below for an update regarding the debrief discussion on the just-completed 'Industry Issues Dialogue' with AMF Staff Executives.

Item 5(b): Insights Gained from July 4/23 and Plans for September 29/23 Quarterly Virtual Liaison Meetings Between CAFII Board Chair P. Thompson and AMF Superintendent E. Jacob

CAFII Chair Peter Thompson and CAFII Co-Executive Director Keith Martin updated the Board on items 5(a) and 5(b) in tandem as they were related. P. Thompson stated that the Industry Issues Dialogue was very different from last year's meeting in that it was positive, amicable, and collaborative. He noted that, though there are still issues to discuss with the AMF, the clear difference in approach and tenor indicates that we have turned a corner in the relationship. This positive change has been largely attributed to the benefits that have flowed out of the quarterly meetings that Peter Thompson has been holding with AMF Superintendent of Client Services and Distribution Éric Jacob. Brendan Wycks noted that this breakthrough must also be credited to Eric Jacob, who, though relatively new to the superintendent role, has shown his commitment to dialogue.

The biggest topic of discussion between the AMF and CAFII remains spousal insurance. CAFII members have made it clear that their ideal and desired course of action would be to let all remaining spousal insurance policies naturally run off; however, with the deadline of January 1/25 fast approaching, there is a need to quickly gain clarity on the expectations of the AMF. The general sentiment from the AMF is that they are willing to listen to CAFII and consider attrition if CAFII can demonstrate that progress is being made in running down the number of these policies.

Item 5(c): Insights Gained from September 28/23 Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to AMF Staff Executives in a Special Purpose In-Person (in Quebec City)/Hybrid Meeting in French Only

CAFII Co-Executive Director Keith Martin reported that the AMF was appreciative of the clear efforts made by CAFII to present in person and in French only. The overall engagement from AMF staff executives was high and positive; conversations were amicable, and the AMF attendees expressed curiosity about CAFII's research results, particularly CAFII's findings on consumer satisfaction. This sharing of research may be an avenue for continuing CAFII's relationship development with the AMF.

Item 5(d): Insights Gained from June 8/23 CAFII Special Purpose Virtual Meeting with Christian Beaulieu and Mario Beaudoin on AMF's Gathering of Industry Statistics on Claims Denials, and Utilization Intentions

K. Martin reported that this was a productive meeting at which Mario Beaudoin provided additional clarity around the gathering of statistics and how the AMF intended to use these statistics. The meeting made it clear that this was a long-term project for the AMF and not an immediate priority.

Item 5(e): Insights Gained from June 21/23 CAFII Special Purpose Virtual Meeting with Louise Gauthier and Melissa Perreault on AMF's Regulation on Complaints Handling and Dispute Resolution; and Ensuing Correspondence Exchange

CAFII Co-Executive Director Keith Martin informed the Board that, overall, the Special Purpose Virtual Meeting with Louise Gauthier and Melissa Perreault on AMF's Regulation on Complaints Handling and Dispute Resolution (and the ensuing correspondence on this matter) was productive, with Louise Gauthier saying that she understands industry concerns and the AMF would do what it could to adjust the regulation accordingly.

Item 5(f): Insights Gained from Recent CAFII Insurance Regulator and Policy-Maker Tour Visits:

CAFII Co-Executive Director Keith Martin informed the Board on the following items:

- i. **British Columbia Ministry of Finance, June 13/23**
- ii. **British Columbia Financial Services Authority (BCFSA), June 13/23**
- iii. **Insurance Council of British Columbia, June 14/23**
- iv. **Alberta Insurance Council, June 15/23**
- v. **Alberta Treasury Board and Finance, June 15/23**
- vi. **PEI Financial and Consumer Services Division, Ministry of Justice and Public Safety, September 21/23**

Regarding CAFII's Regulatory Tours, there was no major verbal update since much of the information has already been shared through other updates. K. Martin did provide a few thematic observations:

- In-person meetings in each regulator's province are highly beneficial for dialogue and build a strong foundation for collaboration;
- Regulators are starved for information and are eager to learn what is going on in the industry;
- It is useful for CAFII to continue to bring industry representatives on the tours as it allows regulators to speak to those with operational responsibilities;
- There is an older generation of regulators that bring a somewhat jaded view of Credit Protection Insurance. Both Robert Bradley from PEI and Angela Masserole from New Brunswick, for example, said that they would not purchase credit protection insurance themselves. CAFII will continue to focus on providing credible research results and information to regulators and policy-makers so that they can understand the benefits of these products.

Brendan Wycks added that another insight gained from these meetings is that some regulators are receptive to harmonization and seemed to understand industry concerns around the differences from province to province in the restricted insurance agent regimes.

Item 5(g): EOC-Approved CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments

Co-Executive Director Keith Martin reported on the status of the EOC-Approved CAFII 2023 Research Project with LIMRA on *CPI's Accessibility to and Utility for Canadian Consumer Segments*. K. Martin noted that this research will identify whether different income stratus for Canadian homeowners have different rates of purchasing CPI versus other types of life insurance. The hypothesis is that lower income groups among homeowners will have higher rates of CPI as a product, which would indicate that this product is especially important for those consumers in the marketplace.

Item 5(h): Recruitment of and Transition to New Media Consultant

Co-Executive Director Keith Martin updated the Board on CAFII's search for a new Media Consultant. CAFII intends to fill this position in the near future.

Item 5(i): Insights Gained from September 26/23 CAFII Webinar with Stuart Wilkinson, Director, Consumer Office, FSRA

Co-Executive Director Keith Martin provided an update to the Board on the insights gained from the September 26/23 webinar with Stuart Wilkinson. Generally, K. Martin has consistently received messages from regulators that they find great value in CAFII webinars. It is also an excellent way to give a platform to regulators, allowing them to speak to industry representatives. Stuart Wilkinson was highly appreciative of the platform CAFII gave him to share the priorities of the Consumer Office that he runs.

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status as at November 10/23
		Association Strategy, Governance and Financial Management			
1	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-23	In Progress
2	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-23	In Progress
3	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-23	In Progress
4	EOC November 14, 2023	Create a revised Critical Path for Development of the 2024 CAFII Operating Budget to present at the next EOC meeting (November 14/23) for review and approval	B. Wycks	10-Nov-23	Completed
		Regulatory Initiatives			
5	BOD December 6, 2022	Maintain ongoing dialogue with AMF Superintendent Eric Jacob and keep CAFII management and EOC Chair and Vice-Chair informed of any developments re resolving impasse issue re RADM's applicability to credit card-embedded insurance benefits and any other CAFII Member-relevant issues	P. Thompson	Ongoing	Ongoing
6	EOC September 19, 2023	Make a CAFII request of the AMF, through Superintendent Eric Jacob, that any existing Spousal Insurance policies be run-off through natural attrition over an indefinite period of time. If this is not accepted, the request of another deadline extension should be made instead.	P. Thompson	31-Dec-23	In Progress
7	EOC November 14, 2023	Present Insights Gained from In-Person CAFII 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour: Phase 1 (PEI and New Brunswick) and Phase 2 (Nova Scotia and Newfoundland). [R. Jennings and K. Martin; November 10, 2023].	K. Martin/ R. Jennings	10-Nov-23	Completed
		Association Operations			
8	EOC May 17, 2022	Regularly scan website videos to ensure that they are up-to-date and don't include broken links	K. Martin/ B. Wycks	Ongoing	Ongoing
9	EOC September 19, 2023	Distribute the Survey of CAFII Member Companies on Distribution Methods of CPI Fulfilment Packages [EOC members; September 22, 2023].	B. Wycks/ K. Martin	24-Oct-23	In Progress

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Regulatory Update – CAFII Executive Operations Committee, October 24, 2023

Prepared by Robyn Jennings, Research Analyst, and Keith Martin, CAFII Co-Executive Director

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Federal/National

Canadian Association of Financial Institutions in Insurance (CAFII)

CAFII Completes Regulatory and Policy-Maker In-Person Tours in PEI, New Brunswick, Nova Scotia, and Newfoundland and Labrador

CAFII met with regulators and policy-makers from PEI (September 20, 2023); New Brunswick (September 21, 2023); Nova Scotia (October 18, 2023); and Newfoundland and Labrador (October 19, 2023).

CAFII's presentation, conducted primarily by Keith Martin with input from Brendan Wycks and CAFII's delegation of member representatives, focused on informing regulators about CAFII's history, including previous regulatory issues and misunderstandings around credit protection insurance, and key priorities for the Association, such as the increasing importance of digital/electronic channels of insurance. Emphasis was placed on the importance of dialogue with regulators for better consumer protection. One of CAFII's primary goals is to learn about regulators' objections and concerns so that CAFII can remain informed regarding consumer protection initiatives, and overall regulatory and policy-maker attitudes towards Credit Protection Insurance.

See [Prince Edward Island](#) and [New Brunswick](#) subsections in this regulatory update for more provincially specific meeting information. A complete and detailed summary of Phase 1 and 2 of the Atlantic Tour will be distributed after the completion of the entire Tour.

More specifically, the presentations made the following points:

CAFII's presentations focused on education about CAFII and the industry; key priorities for our Association; and the findings from the 2022 Pollara research on the attitudes of holders of credit protection insurance towards CPI. CAFII's recently expanded, current membership was highlighted, and there was a review of the improvements that have been made to the Association's website, which is a source of consumer-oriented financial literacy information.

The point was made that there had been a tremendous level of regulatory activity in the past year and a half, as regulators caught up on initiatives after a pause due to the COVID-19 pandemic. CAFII's commitment to regulator and policy-maker relationship building was emphasized, including the importance of these sorts of in-person meetings. CAFII deals with 31 different regulator/policy-maker/ombudservice bodies across Canada on behalf of its members, and the complexity of the regulatory environment makes harmonization critical to the industry. There was discussion of the difference between harmonization versus alignment. CAFII's commitment to regulators having rule-making authority was noted.

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There was a review of some of the key points made by the guest speakers at CAFII Reception events in recent months, and an update on the Association's many webinars. With respect to CAFII webinars, many regulators and policy-makers whom CAFII met with in Western Canada offered unsolicited favourable feedback about how informative and useful they have found CAFII webinars to be and how much they enjoyed attending them.

There was a review of technology and digitization changes taking place in the insurance marketplace, including artificial intelligence (AI) deployment, and how these could impact upon the industry and regulators.

CAFII noted that according to LIMRA research, a significant proportion of Canadians is underinsured or uninsured, and that it was important to not restrict Canadians' access to life and health insurance products including credit protection insurance.

CAFII emphasized its members' commitment to the fair treatment of customers, and reviewed how CAFII members plan for, execute on, and monitor activity with respect to proper sales practices not only through employee training, but also by embedding fair treatment of customers-based sales practices in processes and in technology mechanisms.

There was reference made to CAFII's commitment to fostering and supporting diversity, equity, and inclusion (DEI).

It was noted that Brendan Wycks would be retiring at the end of 2023, and that Shanay Smith (Operations Manager) and Robyn Jennings (Research Analyst) have recently been hired to succeed B. Wycks on the CAFII staff team.

The 2022 Pollara research results were then summarized, with the following being the key highlights:

Canadians with CPI indicate that they are highly satisfied with the products and do not know what they would do without them if an unforeseen life and health insurable event were to occur. It was noted that 69% of CPI holders believe that the products are affordable and 66% believe that they provide good value for the money. According to Pollara, those two data points actually are very good results, as people always feel that the products they purchase are too expensive.

CPI holders are confident that they understand what would happen if they make a claim, and 77% held the view that a claim would be paid as expected.

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More than half of CPI holders had sought information from sources other than the firm from which they had obtained the insurance.

On digitization, it was noted that the research results were a bit contradictory, with consumers wanting digital options but also wanting the ability to meet representatives in-person. The key take-away is that a hybrid model will be required going forward.

Consumer comprehension of CPI documentation is good but not great, with 65% saying that they found the documents easy to understand; and this will be a continued area of investment and focus for CAFII and its members going forward.

The Pollara consumer survey respondents reported that more than 8 in 10 processed CPI claims were paid, and 95% of mortgage life insurance claims were paid out.

While 8 in 10 CPI holder claimants were satisfied with the claims experience, complaints about claims went up in 2022 (33%) relative to 2018 (25%); and satisfaction with how the complaints were handled dropped from 85% to 62%. Context for these findings was provided, including the temporary drop in service levels during the pandemic, the increased tendency of people to complain and their increased levels of stress and frustration overall, and the greater ease today, relative to pre-pandemic, to be able to file a complaint. It was noted that while complaints have increased, claims payout levels remained the same.

Nevertheless, the fundamental point made was that CAFII and its members are committed to understanding and responding to these findings and to always seeking to improve the customer experience.

CAFII's Webinar and Virtual Fireside Chat with FSRA's Glen Padassery and Stuart Wilkinson

On September 26, 2023, CAFII hosted a webinar and virtual fireside chat with Glen Padassery and Stuart Wilkinson. In addition to representatives from CAFII's 15 member companies and 9 Associates, representatives from the following allied industry Associations attended:

- Canadian Life and Health Insurance Association, or CLHIA;
- the Travel Health Insurance Association, or THIA;
- the Insurance Bureau of Canada, or IBC;
- The British Columbia Financial Services Authority, or BCFSa ;
- The Insurance Council of British Columbia ;
- Alberta Treasury Board & Finance, or ATBF;
- The Alberta Insurance Council, or AIC;
- The Alberta Auto Insurance Rate Board ;

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- The Financial and Consumer Affairs Authority of Saskatchewan, or FCAA ;
- The Financial Services Regulatory Authority of Ontario, FSRA ;
- Quebec's Autorité des marchés financiers, or the AMF;
- The Financial and Consumer Services Commission of New Brunswick, or FCNB ;
- The OmbudService for Life and Health Insurance, or OLHI.

In attendance as keynote presenters from FSRA were Glen Padassery, Executive Vice President, Policy & Chief Consumer Officer, and Acting EVP, Auto/Insurance Products at the Financial Services Regulatory Authority of Ontario or FSRA); and by Stuart Wilkinson, FSRA's Chief Consumer Officer.

As Executive Vice President, Policy & Chief Consumer Officer; and Acting EVP, Auto/Insurance Products at FSRA, Glen Padassery is responsible for working across core regulatory areas to develop rules regulating a myriad of sectors. In addition to leading FSRA's strategic policy function, Mr. Padassery also has responsibility for the Innovation Office and the Consumer Office roles within the organization. He has spent over 20 years within the public sector, with extensive policy, program design, and consumer protection experience, most recently as Assistant Deputy Minister of Consumer Protection with Ontario's Ministry of Government and Consumer Services.

Mr. Padassery's colleague Stuart Wilkinson has spent over a decade working in public policy with a focus on financial services regulation in Ontario. He has held several different roles at FSRA, including Senior Manager of Strategic Policy on the Authority's pre-launch transition team; Director of Auto / P&C Insurance Policy after FSRA launched, and most recently as Chief Consumer Officer. As Chief Consumer Officer, Mr. Wilkinson is responsible for leading FSRA's Consumer Office. Before joining FSRA, Stuart Wilkinson worked in the P&C insurance industry and at the Ontario Ministry of Finance, where he provided advice to the government on financial services regulation, including reforms to the province's auto insurance system and the government's response to the expert panel that originally recommended the creation of FSRA.

After brief introductory remarks by Glen Padassery, the fireside chat began with Stuart Wilkinson explaining the history of the Office of the Consumer, including why it was created and its main functions. In 2016, the Ontario government hosted an expert panel review of three regulatory agencies and concluded that a new regulatory authority should be created – FSRA. The panel also suggested the creation of the Office to give voice to Ontario consumers of various financial products across the Ontario insurance industry. Therefore, when FSRA and the Office began, it had the panel's recommendation for a Consumer Office, a refreshed consumer-focused mandate from the government, and a regulator down the street in the Ontario Securities Commission that had already created a strong Investor Office. At its inception, the

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Office's purpose was to give voice to Ontario consumers where there has, historically, been a lack of such a voice. This remains its core focus.

Funding for the Office, like FSRA, is derived from fees and assessments collected from FSRA regulates. The Office is a common cost centre in FSRA, and as such, each section regulated by FSRA bears a portion of the Office's cost. Cost assignment is largely determined by size. FSRA has always been and will continue to be transparent about its use of funds. With government approval, FSRA has the authority to retain its proceeds from enforcement action, although there are stipulations on the proper use of these funds. Soon, FSRA will be publishing its revised approach to the use of these funds to show its commitment to transparency in the sector.

Early in 2023, FSRA's enterprise-wide strategy function was moved into the Office, which prompted a re-evaluation of the Office's objectives. With the top priority continuing to remain amplifying the voices of Ontario consumers, the Office also identified a few other key areas. They are:

- Strategic foundations: this relates to the foundational frameworks and processes that support and sustain FSRA. The flagship responsibility with this objective is to effectively lead FSRA's enterprise-wide strategic and business planning process.
- Policy leadership: the Office will identify and address issues and opportunities that are multi-sectorial, allowing FSRA to broaden its reach and understanding of Ontario consumers.

An important caveat was noted: the Office does *not* deal with consumer inquiries or complaints directly – FSRA has a separate centre for that. The Office is also not responsible for the delivery of FSRA consumer educational activities.

Stuart Wilkinson then highlighted the Office's achievements to date. In terms of consumer-focused endeavours, the Office created a Consumer Advisory Panel whose main function is to inform FSRA of consumer perspectives and provide feedback on a variety of industry-specific topics. The Panel is now in its fourth year of operation and has allowed for a high quality of engagement between FSRA and its members. The Panel not only generates interesting discussions but it provides important and insightful feedback from industry stakeholders. The Office's research efforts have also been successful, and it is now generating insightful

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publications summarizing consumers' voices. Each publication also includes a responsive plan-of-action on how the Office plans on using or acting upon its findings.

Regarding its strategic foundation objectives, the Office is a few weeks away from publishing its proposed Statement of Priorities for feedback. Finally, in terms of policy leadership, the Office is responsible for some FSRA publications, including a framework for complaints resolution and a recent consultation draft of guidance on IT risk management. It also has also created an internal framework for the use of disclosure as a consumer protection tool, which has been shared with and presented to many of its regulator peers. This has helped the Office to take a more thoughtful approach as an organization to how and when it thinks of disclosure as a viable tool for achieving positive consumer outcomes.

Stuart Wilkinson then touched upon the ways in which the Office impacts CAFII members, the primary and perhaps most immediate impact being that CAFII members now have a regulator actively trying to work alongside them to understand Ontario consumers. This increasingly collaborative environment also indicates an industry shift in thinking towards a more consumer-centric model. That being said, there is still much work that needs to be done. Stuart Wilkinson identified two specific items: sharing consumer research and improving its external-facing processes. These are top priorities because the Office wants interactions with stakeholders, such as CAFII members, to be more efficient and informed. One such way FSRA and the Office have made efforts to improve their external-facing process is by making this the longest consultation period to date for their priorities.

Keith Martin mentioned that protecting consumers can be challenging because as a group they are not organized, not funded, and do not have one focused perspective. Stuart Wilkinson said that he completely agreed, and he said that insurance protection was critically important to Ontarians. A consumer-centric approach already exists within the insurance sector, and FSRA is aligned with that focus. A focus on vulnerable consumers is particularly important for FSRA going forward. Keith Martin noted that the insurance relationship with consumers is entirely based on trust, and what FSRA wants and what the industry is foundationally based on is completely aligned, and Stuart Wilkinson said that he was completely in agreement on that: "There is really strong alignment between all parties."

Finally, the virtual fireside chat concluded with a brief explanation of the Office's plans for the rest of 2023 and beyond. Of continued interest, the Office's objectives include transforming its strategy and business planning process; publishing final guidance on IT risk management; launching its new approach to using proceeds from enforcement; and continuing to conduct and publish research results. However, aside from those objectives, Stuart Wilkinson indicated that one of the future goals for FSRA and the Consumer Office is to increase understanding and

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efforts around the treatment of vulnerable consumers across sectors. FSRA and the Consumer Office will be reaching out to CAFII members to ask for input and insight on this topic.

For the full fireside chat with Stuart Wilkinson, please visit [the News and Events page on CAFII's website here](#).

KPMG

KPMG to Host Its 32nd Annual Insurance Conference - KPMG's 2023 Insurance Conference: Shaping the Future – on November 16th, 2023.

On November 16th, 2023, KPMG will host its 32nd Annual Insurance Conference. This year's theme focuses on the top dynamic changes influencing the regulatory landscape. Particular attention will be paid to emerging digitalization trends, the growing importance of ESG to the industry, and how customer expectations are impacting the Canadian insurance industry.

More information, including registration options and a breakdown of the conference's itinerary, has been provided through KPMG's website and can be accessed [here](#).

The Travel Health Insurance Association (THiA)

The Travel Health Insurance Association (THiA) Hosted Its Annual Innovation Summit on October 20, 2023.

On October 20, 2023, THiA hosted its fourth annual Innovation Summit. This one-day summit explored industry trends and leading technological and regulatory advancements influencing insurance in Canada. There was a networking component to allow attendees to meet important travel and health insurance industry players.

CAFII Research Analyst Robyn Jennings attended and will provide a written summary of the event.

To learn more about the Summit, visit THiA's website [here](#).

Provincial/Territorial

British Columbia

Insurance Council of British Colombia

Galen Aker of the Insurance Council of British Columbia Updates CAFII on the BC Restricted Insurance Agency Regime Initiative

On October 20, 2023, Galen Aker provided CAFII with an update on the progress of the Insurance Council of British Columbia initiative around the BC RIA regime initiative:

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Hello Brendan and Keith,

I hope you have been keeping well since we last spoke here in Vancouver this summer. It has been a while since we met to discuss the development of the Restricted Licensing Regime, and I am reaching out with a brief update. Currently, our team is working through the review process for the skills indicators we mentioned during our last meeting about the Performance Requirements Framework. A brief reminder, these skills indicators provide additional details on how organizations can demonstrate their competency outlined in the framework.

Since some of the indicators are specific to certain insurance products, we will be reaching out to you to schedule a discussion and get your feedback once formal regulations have been published by the Ministry of Finance. This will allow us to be certain of the requirements before presenting them to a wider audience. At this time, we do not have a confirmed date when the regulations will be made public, but when they are, we will be in touch.

If you have any questions about the process or the next steps, please let me know.

Thank you,

Galen Aker (he, him) | Stakeholder Engagement Specialist | **Insurance Council of British Columbia**

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The Insurance Council of British Columbia (BC) Has Released its 2022-2023 Annual Report

The Insurance Council of BC recently published its 2022-2023 Annual Report, which summarizes the progress it has made on regulatory projects and priorities over the past year. This marks the end of the Council's three-year strategic plan.

The complete Annual Report can be found here: [Insurance Council of BC - Annual Report.](#)

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Ontario

The Financial Services Regulatory Authority of Ontario (FSRA)

The Financial Services Regulatory Authority of Ontario (FSRA)'s Stakeholder Advisory Committee for Life & Health Insurance Will Be Meeting with FSRA Management on November 2, 2023, to Discuss FSRA's L&H Priorities.

Management representatives from the Financial Services Regulatory Authority of Ontario (FSRA) will be meeting with the Stakeholder Advisory Committee for Life & Health Insurance on November 2, 2023, to discuss FSRA's L&H priorities.

CAFII Co-Executive Director Keith Martin will be in attendance as a CAFII representative. FSRA's Stakeholder Advisory Committee for L&H Insurance membership includes:

- Keith Martin, CAFII;
- Susan Allemang (Independent Financial Brokers of Canada);
- Dennis Craig (RBC Insurance);
- Chris Donnelly (Manulife);
- Lyne Duhaime (CLHIA);
- Paniz Ghazanfari (Advocis);
- Ali Ghiassi (Canada Life);
- Moira Gill (TD Insurance);
- Jamie Greenfield (HUB Financial Inc.);
- Cathy N. Hiscott (PPI);
- Jim Mavroidis (Cigna Life Insurance company of Canada);
- Rosie Orlando (Primerica);
- Neil Paton (Third Party Administrators Association of Canada);
- Ali Salam (Sun Life Financial);
- Yasmin Visram (iA Financial Group); and,
- Eric Wachtel (Canadian Association of Independent Life Brokerage Agencies (CAILBA)).

Previously, FSRA met with their Stakeholder Advisory Committee for L&H Insurance on May 9, 2023. A summary of this meeting can be found [here](#) on the FSRA website.

In Preparation for the 2 November, 2023, FSRA SAC Met on Life & Health Insurance, Keith Martin Met with Key FSRA Insurance Managers.

In preparation for the November 2, 2023, meeting, Keith Martin met with FSRA managers on 13 October from 3.30-4.00pm:

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- Erica Hiemstra, Director, Market Conduct;
- Tim Mifflin, Senior Manager, Policy;
- Kevin Lim, Senior Manager, Life and Health Companies;
- Kim Wasylciw, Senior Compliance Officer.

The meeting was very positive with Erica Hiemstra especially interested in CAFII's views of FSRA's supervisory activities with MGAs. Keith Martin said that the reputation of the insurance industry requires that actors not practicing Fair Treatment of Customers face consequences, and Erica Hiemstra said that FSRA greatly appreciated that position. Keith Martin also provided an update on CAFII's regulatory tours and mentioned that we would be presenting that deck to FSRA on 15 November 2023, at FSRA's offices. Erica Hiemstra said she and her colleagues were very much looking forward to participating in that session.

The Financial Services Regulatory Authority of Ontario (FSRA) Has Launched a Public Consultation Requesting Input from FSRA Committees and Stakeholders on its Proposed 2024-2025 Statement of Priorities.

On October 10, 2023, FSRA launched a public consultation on its proposed 2024-2025 Statement of Priorities and Associated Financial Plan. The aim is to hear from FSRA's stakeholders on the topic of "principles-based regulation" to help FSRA continue to deliver on "outcomes that protect the public interest, foster competition, innovation and effectively address emerging risks in Ontario's financial services sector." The Statement of Priorities is the foundation of FSRA's Annual Business Plan, and feedback is encouraged.

The deadline to submit input is November 13, 2023.

Click [here](#) to access FSRA's Statement of Priorities. If you would like to submit a comment or ask a question to FSRA in regard to its Statement of Priorities, you may do so through their website. CAFII will be providing a written submission on this consultation.

The Financial Services Regulatory Authority of Ontario (FSRA) published revised guidance on its approach to the use of proceeds for the enforcement of consumer research and education purposes.

FSRA recently published a revised guidance on its approach to the use of proceeds for the enforcement of consumer research and education purposes. In May 2022, CAFII provided feedback to FSRA on its *Use of Retained Revenues under regulation "Money retained Outside the Consolidated Fund" Guidance*. This feedback was largely positive and in agreement with FSRA's guidance, however, CAFII offered two suggestions:

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- FSRA utilized an ongoing, rolling, multi-year pool to house all retained revenues funds; and,
- FSRA amend their Guidance to include a requirement that the Authority provide an annual accountability and transparency report to the industry, broken down by sector, on its implementation of the *Use of Retained Revenues under regulation “Money retained Outside the Consolidated Fund” Guidance*.

FSRA’s revised Guidance considered CAFII’s suggestions and included a section dedicated to reporting. Transparency is a top priority for FSRA, and CAFII’s suggestions were well-received since they aligned with this concern.

In an October 12, 2023, email to CAFII, Stuart Wilkinson wrote the following message:

Hi Brendan, Keith, and Robyn,

I’m writing to let you know that FSRA has published revised guidance on its approach to using proceeds of enforcement for consumer research and education purposes. Our announcement is [here](#).

CAFII has expressed interest in this topic in the past – I’m attaching your previous submission to us on the topic for reference. You will see from the guidance when you have a chance to review it that we have done a pretty significant rewrite of what you saw previously.

One key point from your submission was about transparency in the use of proceeds of enforcement. That is top of mind to us, and the new guidance has a section dedicated to reporting.

Please let me know if you have any questions about the guidance once you’ve had a chance to review.

Thanks,

Stuart

You can review FSRA’s [Use of Retained Revenues under regulation “Money retained Outside the Consolidated Fund” Guidance](#).

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Québec

Autorité Des Marchés Financiers (AMF)

CAFII Presents Key Association Messages and Important Insights Gained From Commissioned Research to the AMF In-Person and In French in Quebec City on September 28, 2023.

On September 28, 2023, CAFII Co-Executive Director Keith Martin went to Quebec City to make a formal presentation, in French, to the AMF on CAFII's key messages, priorities, and research findings. CAFII reached out to the AMF with the offer to present, and the AMF agreed, asking for the meeting to be conducted entirely in French and in-person at their head office in Quebec City.

During the 90-minute meeting, the AMF attendees looked engaged and receptive to CAFII's messages. CAFII explained that increasingly and following the COVID-19 pandemic, customers expect both an excellent digital experience as well as excellent in-person communication service. CAFII's delegation said that this was consistent with the experience in their own businesses. CAFII spoke about harmonization, which is an Association priority, and the importance of language clarity in insurance documentation. Emphasis was placed on striking a balance between clear language and the legal requirement so that consumers are protected and understand both the products offered to them and all details of their insurance contract.

Mario Beaudoin asked what percentage of mortgages are insured by CPI, and Keith Martin said that while CAFII did not track that number, he had heard that roughly 36% are, a figure one of the CAFII delegation members said sounded accurate. Regarding CAFII's efforts around diversity, inclusion, and equity, the AMF requested that any research studies that CAFII knows about on this subject be shared with the AMF, if possible, and Keith Martin said he would follow up on this. Christian Beaulieu, who is Mario Beaudoin's boss, asked about the work CAFII had done regarding the increase in complaints around claims, specifically whether we were planning on doing more studies on this, and if so if the findings could be shared with the AMF. Keith Martin said that CAFII would get consumer feedback at some point again and share those results with the AMF, but that there is also work being done by our individual members on their own performance around complaints, and that work is internal to the organizations in question. Mr. Beaulieu said that that made perfect sense to him.

After the meeting, there was a separate session with Mario Beaudoin, Christian Beaulieu, Louise Gauthier, and Éric Jacob from the AMF; and Keith Martin and Brendan Wycks from CAFII, to discuss plans for the upcoming 10 October, 2023, liaison lunch and industry dialogue session with the AMF in Montreal. Éric Jacob said he was looking forward to the meeting, but he was extremely busy and could only stay on the call for a few minutes. He did say before leaving that while new AMF CEO Yves Ouellet could not come to the 10 October meeting, he was interested in meeting with CAFII, and the AMF would work with us to find an opportunity to arrange for

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such a meeting. Louise Gauthier was asked about the AMF's views around holding the 10 October meeting in English given the new Charter of the French Language and its mandate that business communication in Quebec should be in French only, and she said that she thought that we needed to be sensitive to that but that in principle the meeting could be held in English. She did suggest that we try to work some French into some of our comments. This is reflective of Quebec's increasing emphasis on French becoming both the primary and sole language of business.

Mario Beaudoin said that the AMF presentation at the 10 October meeting would be an update on the statistics that the AMF had gathered around claims denial rates, and he said he would be providing an aggregated perspective of the numbers. CAFII indicated a desire to have further conversations with the AMF about how to interpret these numbers, and at first Mario Beaudoin seemed reticent, but he eventually said he would explore such a meeting with us.

In attendance in-person from the AMF were:

- Mario Beaudoin, directeur des pratiques de distribution alternatives (DPDAA);
- Christian Beaulieu, Directeur principal des opérations d'encadrement de la distribution;
- Charlène Boucher, Analyste à l'encadrement de la distribution;
- Julie Dallaire, analyste sous la DPDAA;
- Marie-Eve Bouffard, coordonnatrice experte en surveillance à la DSPC;
- Véronique Martel, coordonnatrice experte en surveillance à la DSPC.

In attendance virtually from the AMF were:

- Mélissa Perreault, directrice des pratiques de distr. et des OAR;
- Karim Trad, coordonnateur expert à la direction de l'encadrement prudentiel et des simulations.

In attendance in-person from CAFII were:

- Deliska Beauregard, Chef des affaires juridiques et Secrétaire Générale, Securian Canada;
- Jonathan Poulin, Conseiller sénior, Affaires juridiques et conformité, BNC;
- Pierre-Olivier Cyr, Directeur Tarification et Évolution des produits, Assurance des particuliers, Desjardins;
- Katia Umutoniwase, Directrice des opérations de vente et de l'activation numérique, Manuvie;
- Keith Martin, co Directeur-général, CAFII.

In attendance virtually from CAFII were:

- Jason Beauchamp, Canada Life;
- Jackie Kasongo, CIBC;

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- Élyse Lemay, Canada Life;
- Nadine Roy, Assurant Canada;
- Martine Romain, CIBC;
- Suzie Blanchard, Manulife;
- Robyn Jennings, CAFII.

K. Martin provided a complete summary of the presentation and subsequent meeting, which was circulated to all CAFII members. Most of K. Martin's summary has been captured above in this Regulatory Update.

CAFII and the AMF Hold Their Annual Liaison Lunch and Industry Issues Dialogue.

On October 10, 2023, CAFII met with the AMF executive staff for its Annual Liaison Lunch and Industry Issues Dialogue. The meeting began with a brief round table for introductions followed by presentations and discussion. It was quickly established by both CAFII and the AMF that, because of efforts taken over the last year, significant strides have been made between CAFII and the AMF to create not only a more amicable working relationship but also to find common ground. Since last year, quarterly meetings have taken place between Eric Jacob (AMF) and Peter Thompson (CAFII Board Chair), the main purpose of which was to identify files that are of high importance for both CAFII and the AMF. These led to additional meetings that allowed for the following strong discussions between CAFII and AMF. Overall, these quarterly liaison meetings have fostered a more collaborative working relationship, and both parties have benefitted.

The initial topic of concern for CAFII, and one that was brought up during P. Thompson and E. Jacob's initial meeting, was credit card-embedded insurance. A resolution was reached in February 2023 that provided an "unwritten agreement" that CAFII members did not need to distribute the Fact Sheet and the Notice of Rescission for credit card-embedded insurance benefits. Additionally, it was resolved that CAFII and the AMF would meet annually to discuss industry issues, share research information and findings (particularly regarding regulations around complaints and dispute resolution), and identify complex files that may require a specific working group.

Over the past year, CAFII and the AMF have renewed discussions around spousal insurance coverage. This is following an agreement between the AMF and CAFII to suspend the cancellation of these policies for 5 years with a deadline of January 1, 2025. With the deadline fast approaching, this has been identified as an area of concern for CAFII Board Members. After discussion, the AMF asked CAFII to gather statistics on the natural attrition of spousal insurance policies since 2019. As per the original agreement, no new policies have been issued since 2019,

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but the agreement was to see the attrition of the current and remaining policies. Additional conversations are planned between the two parties to determine the best course of action.

Another area of interest that CAFII saw great strides in with the AMF was the regulation around dispute resolution. The AMF shared that they had found there to be a lot of industry anxiety and uncertainty around that regulation. Éric Jacob noted that this was why the AMF had opened a second formal consultation on the Regulation, which was unusual.

Overall, both P. Thompson and E. Jacob expressed gratitude and noted how productive, collaborative, and amicable the last year has been between CAFII and the AMF. With a total of 11 meetings, great headway has been made in finding common ground and mutual understanding so that industry issues can be handled with care, consideration, and efficiency. K. Martin agreed with the sentiments expressed.

The dialogue concluded with a few thoughts from É. Jacob. He echoed the message P. Thompson and K. Martin expressed, noting the importance of an open constructive dialogue and a mutual understanding of the positions of both organizations, even if there are different perspectives. He said that the AMF appreciates the acknowledgement by CAFII of its perspective and vice versa; this speaks to mutual respect and an attempt at finding common ground. He also expressed the importance of quarterly meetings with P. Thompson and praised P. Thompson and K. Martin on their handling of these discussions, stating that these conversations are where solutions are found. Visibility is critical to the AMF, therefore, transparency between CAFII and AMF is highly important.

Regarding the complaint regulation, É. Jacob was happy with how this issue was handled, and the AMF's objective is to publish before the end of 2023 an updated regulation, with allowance for plenty of implantation time.

The dialogue portion of the meeting concluded with an agreement to continue maintaining regular meetings between the AMF and CAFII, and that a specific introductory meeting will be scheduled to introduce the AMF's new CEO, Yves Ouellet, to CAFII members.

The dialogue moved to the presentation portion of the meeting, in which Mario Beaudoin (AMF, Director of Alternative Distribution Practices in Insurance) presented the AMF's research findings on the performance of CAFII members relative to industry around written premiums paid and claims denial rates. The presentation built on previous work done by the AMF and was focused on a three-year snapshot, with the AMF's key message being that where a member is below the industry standards on claims denial rates, the AMF would like to know why and to receive an action plan on how the company plans to rectify the situation.

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K. Martin posed a question to M. Beaudoin on how these research and result efforts will unfold over the next year. M. Beaudoin responded that the AMF is preparing letters for all the companies who provided statistics to the AMF on their denial rates as a follow-up measure. In addition, the AMF is working on updated findings to provide to all companies that gave information. Mario Beaudoin also noted that Véronique Martel in his team had recently been promoted.

At this point, E. Jacob spoke up and articulated that the culture of discussion and information sharing is important for the AMF as a means of fair treatment of customers. He went on to encourage future discussions around harmonization.

The AMF concluded their presentation with a question period.

In-person attendance:

- Keith martin (CAFII)
- Brendan Wycks (CAFII)
- Éric Jacobs (AMF)
- Mario Beaudoin (AMF)
- Élyse Lemay (Canada Life)
- Peter Thompson (National bank Insurance)
- Paul Cosgrove (Assurant Canada)
- Rob Dobbins (Assurant Canada)
- Pamela Hicks (Managing Matters)
- Robyn Jennings (CAFII)
- Moira Gill (TD Insurance)
- Heather McLachlin (CUMIS/The Co-Operators)
- Louie Georgakis (Canada Life Assurance)
- Charles MacLean (RBC Insurance)
- Julie Gaudry (RBC Insurance)
- Christian Beaulieu (AMF)
- John Burns (Surrogate for Nigel Branker, Securian Canada)
- Michelle Costello (CUMIS/The Co-Operators)
- Karyn Kasperski (RBC Insurance)
- Iman Muntazir (RBC Insurance)
- Deliska Beauregard (Securian Canada)
- Paul Cosgrove (Assurant Canada)

Virtual Attendance

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- Adam Vespi (Canadian Tire Bank)
- Dallas Ewen (Canada Life Assurance)
- Rohit Thomas (BMO Insurance)
- Wayne Hewitt (Scotia Insurance)
- Ian Oncea (CIBC Insurance)
- Rahul Kakar (Chubb life)
- Ian Oncea (CIBC Insurance)
- Rohit Thomas (BMO Insurance)
- Rahul Kakar (Chubb Life Insurance Company of Canada)
- Wayne Hewitt (Scotia Insurance)
- Fernando Heleno (RBC Insurance)
- Isabelle Choquette (Desjardins Insurance)
- Jonathan Poulin (National Bank Insurance)
- Fergal Murphy (TD Insurance)
- Valerie Gillis (TD Insurance)
- Nicole Benson (Valeyo)
- Tejal Harri-Morar (BMO Insurance)
- Veronique Martel (AMF)
- Julie Dallaire (AMF)
- Shanay Smith (CAFII)
- Simon Lacroix-Hubert (Desjardins Insurance)

*Autorité Des Marchés Financiers (AMF) Has Released Its Rapport Annuel de Gestion 2022-2023
(Annual Report 2022-2023)*

The AMF recently released its 2022-2023 Annual Management Report, which summarized key areas of interest and concern, growing industry trends, and general progress made on various regulatory projects and priority areas. This marks the halfway point of the AMF's four-year (2021-2025) strategic plan.

As per the Report, digitalization and fraud remain an area of concern. The AMF published a discussion paper early this year detailing the potentials risks and rewards of digital financial services for consumers. The AMF called for industry stakeholders to incorporate more financial literacy into their communications with the general populace to increase knowledge, thereby, increasing consumer vigilance against fraud. In relation, the AMF has maintained surveillance over the crypto asset ecosystem due to its high risk of fraud.

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Finally, sustainable finance and ESG remains of great interest to the AMF. Work will continue on the AMF's development of a framework for the better disclosure of information related to climate issues.

The AMF's financial statements were also provided.

The complete Annual Report can be found here: [AMF Rapport Annuel de Gestion 2022-2023](#).

Prince Edward Island

CAFII Meets with PEI Regulatory Authorities on 21 September, 2023

A delegation of eight (8) CAFII representatives travelled to Charlottetown to meet with representatives of PEI's Financial and Consumer Services Division, Ministry of Justice, and Public Safety.

In attendance in-person at the meeting from CAFII were:

- Michelle Costello, CUMIS/The Co-operators;
- Andrea Stuska, TD Insurance;
- John Burns, Securian Canada;
- Rob Dobbins; Assurant;
- Keith Martin, CAFII;
- Brendan Wycks, CAFII;
- Shanay Smith, CAFII; and,
- Robyn Jennings, CAFII.

In attendance in-person at the meeting from the PEI Financial and Consumer Services Division, Ministry of Justice, and Public Safety were:

- Curtis Toombs, General Counsel, Financial and Consumer Services Division, Ministry of Justice and Public Safety;
- Lauren Keefe-Hogan, Manager, Registry and Licensing Counsel, Financial and Consumer Services Division, Ministry of Justice and Public Safety; and,
- Robert Bradley, Superintendent of Insurance, Financial and Consumer Services Division, Ministry of Justice and Public Safety.

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Steve Dowling (Division Director, Financial and Consumer Services Division, Ministry of Justice and Public Safety) did not attend but was instrumental in setting up this meeting.

Keith Martin began CAFII's presentation with a breakdown of the Association's priorities and issues. He also explained CAFII's membership structure and relationship with insurance regulators and policy-makers. He brought up the issue of harmonization and explained how there is a general misunderstanding that harmonization is the same thing as alignment; however, that is not what harmonization really means. Harmonization means exact and precise parallelism and striving to use the exact same wordings and exact same regime structure features to the maximum degree possible. The problem with a lack of harmonization is that it compels a focus on exception management, where resources must be dedicated to understanding the subtle differences in wording from one jurisdiction to the next. Exception management saps the resources of regulated entities, diverting them away from a single-minded focus on meeting regulators' fair treatment of customers (FTC) expectations.

Robert Bradley responded to Keith Martin's comments by explaining that PEI's practice has been to harmonize with other jurisdictions in Canada to the extent that is possible. Mr. Bradley also said that as a small province, PEI tends to be a follower, which adopts regulatory initiatives after they have been led and achieved by other provinces. CAFII EOC Chair Rob Dobbins noted the importance to CAFII of the Canadian Council of Insurance Regulators (CCIR) as a national coordinating body and its leadership efforts around national harmonization.

Robert Bradley asked about loss ratios for the credit protection insurance products offered by CAFII members, and Keith Martin responded that that information was not tracked by CAFII.

In response to the finding -- in the CAFII-commissioned consumer research carried out by Pollara Strategic Insights -- that 95% of CPI mortgage life insurance claims are paid out, Robert Bradley indicated that he was not convinced by that independent, third-party research finding; that he believed that post-claims underwriting was a concern with respect to CPI; and that he personally would "not purchase CPI products." Brendan Wycks replied that post-claims underwriting was an inaccurate allegation and a myth levelled against CPI by players in the advice-based channel of the life and health insurance sector; and that the claims adjudication process followed by CPI insurers was the exact same process practised by all of life and health insurers, including those which underwrite term life and other forms of life and health insurance that is offered exclusively through licensed agents and brokers. for all insurance products and was not post-claims underwriting.

Rob Dobbins added that CAFII's research findings indicate that customers appreciate having CPI made available to them as an optional form of insurance coverage in the marketplace; and that they are satisfied with the product. Andrea Stuska added that consumers may not have access

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to any other kind of life and health insurance, depending upon their financial situation and their desirability as a client to a licensed insurance agent/broker; and that, as a result, access to CPI can be critically important for certain consumer segments.

Robert Bradley advised that there were no imminent regulatory changes in PEI which should be made aware. Curtis Toombs and Lauren Keefe-Hogan expressed interest in being apprised of the results of any future consumer-focused research which CAFII might commission.

New Brunswick

CAFII Meets with New Brunswick Regulatory Authorities on 22 September, 2023

A delegation of seven (7) CAFII representatives travelled to Fredericton, New Brunswick, to meet in-person with relevant staff executives from the Financial and Consumer Services Commission of New Brunswick (FCNB)'s Insurance Division.

In attendance in-person at the meeting from CAFII were:

- Michelle Costello, CUMIS/The Co-operators;
- Andrea Stuska, TD Insurance;
- John Burns, Securian Canada;
- Rob Dobbins, Assurant;
- Keith Martin, CAFII;
- Brendan Wycks, CAFII; and,
- Robyn Jennings, CAFII.

In attendance in-person at the meeting from the Financial and Consumer Services Commission of New Brunswick (FCNB)'s Insurance Division were:

- Angela Mazerolle, Vice-President, Regulatory Operations; and Superintendent of Insurance and Pensions;
- Jennifer Sutherland Green, Director, Insurance;
- Catherine Haines, Deputy Director – Licensing;

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- Ryan Adams, Senior Legal Counsel; and,
- Robert Picard, Compliance Officer.

Angela Mazerolle responded to CAFII's comments on the importance of harmonization by stating that a situation of completely harmonized regulation across the country was not achievable in a national federation nation such as Canada, where different provinces and territories have different requirements and priorities. EOC Chair Rob Dobbins agreed that CAFII's harmonization request was an aspirational ask, but he stressed that the greater the degree of harmonization, the better. Angela Mazerolle said that FCNB would be receptive to doing what it could to avoid adopting and implementing unique approaches in New Brunswick.

Keith Martin acknowledged FCNB's proactiveness in consumer protection, as evidenced by its frequent consumer protection bulletins, and he said that FCNB was a leader in this area. Angela Mazerolle confirmed that that sort of consumer communication was a big priority for the FCNB; and that it regarded consumer education and fostering financial literacy to be an important part of how to protect consumers. Keith Martin noted CAFII's support of regulatory authorities obtaining rule-making authority.

Angela Mazerolle stated that she personally would not purchase CPI products, and CAFII delegation members, including Brendan Wycks, Rob Dobbins, and Andrea Stuska responded by further explaining the benefits of CPI protection to certain segments of Canadian consumers and the positive views that CPI protection had received in the recent CAFII-commissioned independent consumer research carried out by Pollara Strategic Insights.

There was a discussion around the recent 2023 implementation of New Brunswick's new Restricted Insurance Representative (RIR) licensing regime, with Keith Martin noting that the industry felt that many of the issues raised in the consultation process were not actually acted upon.

Brendan Wycks noted that CAFII lingering concerns about the Section 46 requirement in FCNB's Rule INS-001 to suggest to consumers who have opted to become enrolled in CPI coverage that they may wish to seek advice from a licensed insurance agent, and he asked if FCNB would be interested in receiving a written submission from CAFII with some suggested alternate wording, along with its perspectives on some other issues related to the RIR regime. Ms. Mazerolle said she would welcome such input from CAFII in writing.

After the formal meeting was concluded and Angela Mazerolle had departed for an immediately ensuing meeting, several of the other FCNB staff executives present remained

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behind to engage in informal conversation with the CAFII delegation members; and they appeared very interested in and receptive to the points being made in informal dialogue by the CAFII representatives. In particular, Catherine Haines, Deputy Director of Licensing, who is responsible for the RIR regime's licensing portal, said she would welcome any feedback or further input from CAFII on how to improve it.

CAFII Consultations/Submissions Timetable, 2023-2024

Regulatory Issue	Deliverable	Deadline	Accountable
Financial Consumer Agency of Canada (FCAC)	<ul style="list-style-type: none"> CAFII submission on “Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks” CAFII 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 CAFII’s submission on “Proposed Guideline” FCAC releases final version of “Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks” <u>Presentation of 2023 Research Results-focused PowerPoint deck to FCAC Staff Executives</u> 	<ul style="list-style-type: none"> January 6/22 January 15/22 February 17/22 February 24/22 <u>Q1 2024</u> 	<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); and Resulting Restricted Insurance Agency (RIA) Licensing Regime To Be Developed and Launched By Insurance Council of BC	<ul style="list-style-type: none"> Ministry releases consultation paper on introducing a Restricted Insurance Agent licensing regime in BC (October 3/22 submission deadline) CAFII submission on BC RIA licensing regime consultation paper Ministry advises that Rule to empower RIA Regime and ensuing Insurance Council implementation work to be developed by Spring 2023 <i>Insurance Council of BC arranges early consultation meeting with CAFII re RIA regime</i> CAFII meets in-person/hybrid with BC Ministry of Finance; and with Insurance Council of BC, as part of 2023 Western Canada Tour CAFII response submission on Insurance Council of BC Rule(s) developed to create framework for and implement Restricted Insurance Agency regime in BC (following Ministry of Finance Summer 2023 release of Council-empowering Regulation) <i>CAFII meetings with Insurance Council of BC around Rules for RIA regime</i> 	<ul style="list-style-type: none"> June 30/22 October 3/22 January 13/23 May 8/23 June 13 and June 14/23 Q4 2023 thru Q2 2024 (expected) <i>Q4 2023 thru Q2 2024</i> 	<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"> CAFII submission on BCFSA’s “Draft Insurer Code of Market Conduct” CAFII submission on Two Follow-up Questions from BCFSA on Its Draft Insurer Code BCFSA releases update promising update report on ‘Insurer Code of Market Conduct’ in 2023 BCFSA holds short virtual meeting with CAFII to advise re how it intends to proceed with a BC “Insurer Code of Market Conduct CAFII meets in-person/hybrid with BCFSA, as part of 2023 Western Canada Tour BCFSA releases final version of its principles-based BC Insurer Code of Market Conduct (derived from CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers) BCFSA’s BC Insurer Code of Market Conduct to come into force 	<ul style="list-style-type: none"> September 9/22 November 11/22 December 15/22 May 8/23 June 13/23 July 10/23 April 1/24 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-EDs to monitor
AMF: Quebec Bill 141 and Related Regulations (including Regulation Respecting Alternative Distribution Methods, RADM)	<ul style="list-style-type: none"> CAFII submission on Draft 2 of ‘Regulation Respecting Complaint Processing’ CAFII and AMF resolve impasse issue re Regulation respecting Alternative Distribution Methods (RADM)’s applicability to credit card-embedded insurance benefits via an “unwritten understanding” that Fact Sheet and Notice of Rescission do not have to be distributed to card holders CAFII and AMF hold special purpose virtual meetings on AMF’s ‘Regulation Respecting Complaint Processing’ (as outgrowth from quarterly one-on-one meetings of CAFII Board Chair and AMF Superintendent, Client Services and Distribution Oversight) CAFII and AMF hold special purpose virtual meeting on purpose behind AMF’s gathering of CAFII member company statistics on claims denial rates and “return of premium” to customers CAFII and AMF begin dialogue, via a quarterly CAFII Board Chair/AMF Supt. one-on-one meeting, about AMF possibly relaxing/amending/dropping requirement to complete runoff termination of in-force CPI spousal coverage by January 1/25 	<ul style="list-style-type: none"> February 15/23 February/March 2022 May 11/23 and June 21/23 June 8/23 July 4/23; and October 18/23 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-Eds to monitor

Regulatory Issue	Deliverable	Deadline	Accountable
CCIR/CISRO	<ul style="list-style-type: none"> • CAFII submission on CCIR/CISRO proposed “Incentives Management Guidance” • CAFII written submission on CCIR’s Draft 2023-2026 Strategic Plan (following preliminary feedback provided via Virtual Stakeholder Session on November 4/22) • CCIR releases “2021 Annual Statement on Market Conduct Public Report” • CAFII in-person/hybrid stakeholder meeting with CCIR/CISRO Incentives Management Committee re questions/clarifications around final “Incentives Management Guidance” published in November 2022 • CAFII makes submission (in both official languages) on CISRO’s embargoed Consultation Draft of 2023-2026 Strategic Plan • CISRO releases final version of 2023-2026 Strategic Plan • CAFII submission to CCIR consultation on “Type and Nature of Complaints to Be Disclosed Through Annual Statement on Market Conduct Report Tool” 	<ul style="list-style-type: none"> • November 30/22 • December 15/22 • February 28/23 • February 28/23 • April 21/23 • October 3/23 • November 3/23 (extended to November 17/23) 	<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"> • FCNB Releases “Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations” for consultation, with February 7/22 submission deadline • CAFII submission on FCNB’s “Insurance Act Rewrite: Questions For Industry, Dec. ‘21” • CAFII submission on Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations • CAFII submission on Proposed Rule INS-002: Insurance Fees • CAFII submission on FCNB legislative change proposals re Life Insurance and Accident & Sickness Insurance sections of Insurance Act (informal sounding board consultation) • FCNB releases ‘Notices to Industry’ on coming into force of final versions of Rule INS-001 and Rule INS-002 (having received Ministerial approval) on February 1/23 • FCNB Rules INS-001 and INS-002 come into force. • CAFII meets with FCNB to discuss implementation questions/clarifications re Rule INS-001 • At CAFII’s behest, FCNB removes RIR licence applicant requirements to submit Disclosure Forms and Criminal Record Checks for Board Directors • FCNB grants CAFII request for deadline extension (60 days to June 30/23) for filing initial RIR licence application on FCNB Portal; exempts OSFI- and FCNB-regulated RIR licensees from having to maintain trust accounts; and clarifies RIR licence application issues • CAFII delegation meets with FCNB Superintendent of Insurance and other staff executives for relationship-building and, in part, to discuss lingering problems/issues re INS Rule-001 and RIR regime, as part of Fall 2023 Atlantic Canada tour • <u>CAFII written submission to FCNB on ongoing/lingering concerns about Rule INS-001, and problems with FCNB licensing portal for obtaining an RIR licence</u> 	<ul style="list-style-type: none"> • November 2021 • January 31/22 • February 7/22 • February 18/22 • May 20/22 • December 13-14/22 • February 1/23 • February 24/23 • March 9/23 • April 14/23 • September 22/23 • <u>December 31/23</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"> • CAFII responds to FSRA “Information Guidance on Complaints Resolution” consultation • CAFII submission on FSRA’s “Principles-Based Regulation” consultation document • CAFII submission on FSRA’s “Principles of Conduct for Insurance Intermediaries” • CAFII submission on FSRA’s “Use of Retained Revenues Guidance” • FSRA provides feedback on CAFII’s submission on “Use of Retained Revenues Guidance” • CAFII submission on FSRA’s Proposed 2023-24 Statement of Priorities and Budget • CAFII submission on FSRA’s “Proposed Rule 2022-001: Assessments and Fees” • CAFII decides not to make a submission on FSRA’s “Proposed Guidance on IT Risk Management”, determining it to be largely “out of scope” • FSRA launches consultation on “Proposed Guidance: Administrative Monetary Penalties” with May 31/23 submission deadline • CAFII submission on FSRA’s “Proposed Guidance: Administrative Monetary Penalties” • FSRA releases significantly rewritten final version of “Proceeds of Enforcement Guidance” (formerly “Proposed Guidance: Administrative Monetary Penalties”) 	<ul style="list-style-type: none"> • February 15/22 • April 29/22 • May 3/22 • May 31/22 • Sept 9/22 • November 15/22 • February 27/23 • March 31/23 • March 27/23 • May 31/23 • October 12/23 	<ul style="list-style-type: none"> • Mkt Conduct & Licensing Cttee; Co-EDs to monitor

Regulatory Issue	Deliverable	Deadline	Accountable
	<ul style="list-style-type: none"> CAFII response submission to FSRA's consultation on "Proposed 2024-25 Statement of Priorities and Budget" 	<ul style="list-style-type: none"> November 13/23 	
Ministry of Finance, Government of Ontario	<ul style="list-style-type: none"> <u>CAFII Submission on Government of Ontario Consultation on reducing the minimum consultation period for FSRA from 90 days to 60 days</u> 	<ul style="list-style-type: none"> <u>December 4/23</u> 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor

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

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CAFII Insurance Regulator and Policy-Maker Meetings/Interactions
From October 21/23 to November 10/23

<u>Date</u>	<u>Event/Occasion/Issue</u>	<u>Who</u>
October 23/23	Regular meeting of Saskatchewan Restricted Insurance Agents Advisory Committee (RIAAC), hosted as a hybrid meeting at the CLHIA office in Toronto.	Moira Gill (RIAAC Chair), TD Insurance; Charles MacLean (RIAAC Vice-Chair), RBC Insurance; and Keith Martin, CAFII attended in person; and Brendan Wycks, CAFII virtually attended this meeting which had been scheduled/organized and was moderated by April Stadnek, Executive Director, Insurance Councils of Saskatchewan. Ms. Stadnek advised RIACC members that she had recently hired Mike Smith as the Insurance Councils of Saskatchewan's New Director of Compliance, who comes from the Ontario Public Service and started at ICS on October 16/23.
October 25/23	Peter Thompson had an exchange with Eric Jacob and/or other AMF Staff Executives around desire to arrange a "get acquainted and dialogue" hybrid meeting with new AMF CEO, Yves Ouellet.	There is an agreement that the CAFII Board will meet with Yves Ouellet in the near future—Peter Thompson, Keith Martin, Paul Cosgrove, and 1-2 others to attend in Montreal in-person, and other Board members to attend virtually. We are now waiting to hear from the AMF as to when M. Ouellet is available for such a meeting.
October 30/23	Keith reached out to Erica Hiemstra to confirm whether it was alright to bring as many as 10 CAFII members to the 15 November presentation to FSRA in their offices.	Erica Hiemstra arranged for administrative assistant Nelly Ching to confirm that FSRA can accommodate a group of 10 or more people for the presentation on 15 November, and FSRA will arrange for a suitable Board room for the meeting.
November 2/23	Regular meeting of Financial Services Regulatory Authority (FSRA)'s Life and Health Insurance Sectoral Advisory Committee.	Keith Martin, CAFII, attended this virtual meeting which focused on FSRA's 2024-25 Statement of Priorities and Budget.

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Committee Reports Addressing CAFII Priorities; October and November 2023

Diversity, Equity, Inclusion Working Group (Chair: Tejal Harri-Morar)

The DEI Working Group met on Monday, October 16, 2023.

The group discussed:

- Scope - CAFII to review its HR policy and scope should also include DEI advancement at the board level;
- Still Looking at high level principles which will be informed by the survey that we will send out to member companies. The proposed idea is to gather information from member companies who will also be provided the opportunity to advance any principles or practices that they believe should be incorporated;
- Also what succession planning do our member companies currently have in place which will also be part of the scope of the working committee.

The Working Group also met on November 20, 2023, at which a special subject matter expert visitor from RBC Insurance, arranged by Karyn Kasperski, gave an informative presentation on how RBC Insurance has launched and is furthering DEI initiatives as a unit within RBC's overall bank enterprise approach to this issue.

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

For the past two months, since the Board's last meeting on October 10/23, the Market Conduct & Licensing Committee has been focused on the following written consultation submissions:

- November 13/23 CAFII Submission to FSRA on "2024-2025 Statement of Priorities and Budget"
- November 17/23 CAFII Submission to CCIR on Type and Nature of Complaints to Be Disclosed Through Annual Statement on Market Conduct (ASMC) via Complaint Report Tool
- CAFII Consultation Opportunity Re Ontario Government Proposal to Reduce Minimum Consultation Period for FSRA and OSC Rule-Related Consultations from 90 Days to 60 Days (Submission Deadline: December 4/23)

In the weeks ahead, we will be providing input and review feedback for the following critically important informal written submission opportunity for CAFII:

- Draft CAFII Submission Letter to FCNB on Lingering Problematic Issues Re Rule INS-001 and Licensing Portal for New Brunswick Restricted Insurance Representative (RIR) Regime

Media Advocacy Committee (Chair: Jacqlyn Marcus)

Over the past two months, the Media and Advocacy Committee has been building towards a vitally important semi-annual in-person meeting on November 28/23, the agenda for which is as follows:

1. Welcome (Jacqlyn)
2. Introducing, In-Person, new CAFII Hires Shanay Smith (Operations Manager) and Robyn Jennings (Research Analyst) (Keith, Shanay, Robyn)
3. Introducing new Media Advocacy Consultant Wendy Bairos (Keith, Wendy)
4. Introductions—all, for Shanay, Robyn, and Wendy (all)
5. Achievements in 2023 (Jacqlyn, Keith)
 - a. Website enhancements including video to come on claims
 - b. New content on website including FAQs, and webinar recordings
 - c. New homepage look
 - d. Improvements to French side
6. Discussion for group—should we RFP website consultant in 2024 given performance issues with Operatic Agency (Jacqlyn, Keith)
7. Plans for 2024 (Jacqlyn, Keith)
 - e. Website enhancements including videos
 - f. New backend (intranet) site—approved by Board
8. Discussion for group—negative article, Rob Carrick (all)
9. Meeting schedule for 2024 (all)
10. Other business (all)
11. Close of meeting (Jacqlyn)

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

Since early October, the Networking & Events Committee has been engaged in planning for the following CAFII events:

- an October 22/23 webinar on “Words Matter,” with guest presenter Elissa Gurman from MacPhie Consulting who is an expert on inclusive language;
- a November 22/23 webinar on “Travel Trends and Travel Insurance Developments in 2023”, with guest presenters Katia Umutoniwase, Sheila Burns, and Helen Cosburn; and
- assisting CAFII staff in the identification of an appropriate speaker/panelists for the 2024 Annual Members and Associates Luncheon that will take place on May 28/24.

Quebec/AMF Issues Committee (Chair: Jennifer Russell; Vice-Chair: Iman Muntazir)

Since the CAFII Board's last meeting on October 10/23, the Quebec/AMF Issues Committee has been focusing mainly on the attrition of spousal insurance policies in Quebec issue, gearing up for a November 29/23 Special-Purpose EOC and Quebec/AMF Issues Committee Meeting on a special CAFII-commissioned RSM Canada Study on the Attrition of Spousal Insurance Policies in Quebec.

A critical focus of that special joint meeting will be arriving at a consensus position on whether to recommend to the Board the possible release to the AMF of the results of the RSM Canada Study on Attrition of Spousal Insurance Policies in Quebec.

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

Since the October 10/23 Board meeting, the Research & Education Committee has been very busy working closely with the LIMRA team to finalize the questionnaire for and execute the CAFII 2023 research project on Credit Protection Insurance's Accessibility to and Utility for Canadian Consumer Segments.

The LIMRA team carried out the survey in the field with consumer respondents in late October, and has since been analyzing the data and preparing a result report, which we expect will be delivered to CAFII imminently.

Travel Insurance Experts Committee (Chair: Katia Umutoniwase)

The Travel Insurance Experts Committee last met when it held two virtual meetings in Q1 of 2023 to discuss ongoing and emergent travel medical insurance issues.

While the industry is generally very busy at this time dealing with a significant increase in consumer travel; however, the volume of leisure travel seems to be plateauing and declining slightly at this time, as elevated interest rates bite into consumer spending. That said, the number of problematic issues has diminished as the COVID-19 pandemic's impact has declined.

When the Committee next meets, it will be pleased to welcome two new members of the Committee – Michel Winterburn, Senior Manager, Scotia Insurance; and Ryan Basant, Product Manager, Wellness & Protection Insurance, CIBC Insurance -- to their first meeting.

Agenda Item 2 g

December 5/23 Board Meeting

Board-Approved Schedule of CAFII 2024 Meetings and Events

(Approved by CAFII Board on October 10/23)

EOC Meetings: *To be held virtual-only and in-person/virtual-hybrid, in alternating months*

- **Tuesday, January 23, 2024** (2:00–4:00 p.m. MS Teams virtual-only meeting)
- **Tuesday, February 27, 2024** (2:00–3:30 p.m. MS Teams virtual-only meeting)
(Family Day Stat Holiday in Ontario: Monday, February 19)
- **Tuesday, March 26, 2024** (2:00–4:00 p.m. MS Teams virtual-only meeting)
(Quebec Spring Break: March 4 – March 8. Ontario March Break: March 11 – March 15)
- **Tuesday, April 23, 2024** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)
(Passover: Evening of April 23 – April 30)
- **Tuesday, May 14, 2024** (2:00–3:30 p.m. MS Teams virtual-only meeting)
(Victoria Day Stat Holiday: Monday, May 20)
- **Tuesday, June 25, 2024** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)
- **Tuesday, July 16, 2024** (tentative summer meeting (2:00–3:30 p.m. MS Teams virtual-only meeting)
- **Tuesday, August 13, 2024** (tentative summer meeting (2:00–3:30 p.m. MS Teams virtual-only meeting)
- **Tuesday, September 17, 2024** (3:00–5:00 p.m. in-person/virtual-hybrid meeting, followed by EOC Annual Appreciation Dinner)
(National Day for Truth and Reconciliation: September 30)
- **Tuesday, October 29, 2024** (2:00–3:30 p.m. MS Teams virtual-only meeting)
(Yom Kippur: October 12. Thanksgiving Stat Holiday: October 14. Diwali: October 31)
- **Tuesday, November 19, 2024** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)
(Remembrance Day: November 11)

Board Meetings:

- **Tuesday, April 9, 2024** (3:00–5:00 p.m. in- person/virtual-hybrid meeting, followed by ensuing Reception)
HOST: Assurant Canada
(Good Friday: Friday, March 29; Easter Monday: Monday, April 1)
- **Tuesday, June 4, 2024** (2:30–5:00 p.m. in- person/virtual-hybrid meeting, preceded by 2024 Annual Meeting of Members and followed by ensuing Reception). (To comply with CAFII Bylaw provisions, the Annual Meeting of Members materials package must be disseminated between 60 days and 21 days prior to the date of the Annual Meeting: i.e. between Friday, April 5, 2024 and Tuesday, May 14, 2024)
HOST: Securian Canada
- **Tuesday, October 8, 2024** (2:20–4:00 p.m. in- person/virtual-hybrid meeting, immediately following liaison lunch and Industry Issues Dialogue with AMF staff executives)
(Rosh Hashanah: October 3; Thanksgiving Stat Holiday: Monday, October 14)
HOST: National Bank Insurance; Alternate: BMO Insurance (Montreal)

- **Tuesday, December 3, 2024** (3:00-5:00 p.m. in- person/virtual-hybrid meeting, followed by Holiday Season/Year-End Reception)

HOST: Chubb Life Insurance Company of Canada

2024 Annual Members and Associates Luncheon:

- *Tentative Date: Tuesday, May 28, 2024, from 11:45 a.m. EST to 2:15 p.m. EST at St. James Cathedral Centre Event Venue*

2024 EOC Annual Appreciation Dinner:

- *Tentative Date: Tuesday, Sept 17, 2024 at 5:30 p.m. at a TBD location*

Webinars:

- January 31 or February 1, 2024
- March 27 or 28, 2024
- April 24 or 25, 2024
- September 11 or 12, 2024
- October 9 or 10, 2024
- November 13 or 14, 2024

2023 Board meetings Hosted by:

Canadian Tire Bank, Manulife, RBC Insurance, Scotia Insurance

2022 Board meetings Hosted by:

TD Insurance, Desjardins Insurance, CIBC Insurance

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:

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

2017 Board Meetings Hosted by:

TD Insurance; CAFII; Desjardins Insurance; CIBC Insurance

Recent Years' Annual Members and Associates Luncheons

2023 Annual Members and Associates Luncheon

Date: Tuesday, May 9, 2023 from 11:45 a.m. to 2:15 p.m. EDT

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

Speaker: Stuart Carruthers, Partner, Stikeman Elliot and Jill McCutcheon, Partner, Torys LLP

Venue: St. James Cathedral Centre Event Venue, 65 Church St., Toronto, Ontario

2022 Annual Members and Associates Luncheon

Date: Tuesday, September 13, 2022 from 12:00 p.m. – 2:30 p.m. EDT

Topic: "With Authority: Executing On A Bold Vision for A New Kind of Financial Services Regulator in Ontario; and Laying the Groundwork for Its Long-Term Success"

Speaker: Mark White, CEO, FSRA

Venue: St. James Cathedral Centre Event Venue, 65 Church St., Toronto, Ontario

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, CAFII

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"

Speakers: 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

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 3(a) Governance Matters - CAFII-Relevant News from Securian Canada

Purpose of this Agenda Item—Update

To provide an update to the Board.

Background Information

Nigel Branker, CAFII Director from Securian Canada, will share some CAFII-relevant news from his member company.

Recommendation / Direction Sought—Update Only

This is an update-only item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

**CAFII Board Meeting, 5 December, 2023—Agenda Item 3(b)
Governance Matters – Implementation of Board-Approved “New CAFII Management Structure (Post-2023)”**

Purpose of this Agenda Item—Update

To provide an update to the Board.

Background Information

CAFII Co-Executive Director Keith Martin will provide an update on the implementation of the Board-approved New CAFII Management Structure, which will go into full effect in 2024 after the transitional period that has been underway since the hiring of two new CAFII staff members in August of this year.

Recommendation / Direction Sought—Update

This is an update-only item.

Attachments Included with this Agenda Item

One (1) attachment.

*Agenda Item 3 b
December 5/23 Board Meeting*

From: Keith Martin <Keith.Martin@cafii.com>
Sent: Monday, August 21, 2023 12:05 PM
To: CAFII Board, EOC, and Other Committee Members
Cc: Brendan Wycks <brendan.wycks@cafii.com>; Lyn Wallington <lyn@managingmatters.com>; 'david moorcroft' <david@strategy2communications.com>; Troy Woodland <Troy.Woodland@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>; Jake Becker <jake.becker@cafii.com>
Subject: CAFII: Welcome to CAFII's New Staff Members--Operations Manager--Research Analyst

Hello CAFII Board, EOC, and Committee Members,

CAFII has been engaged in recruiting two new hires, an Operations Manager, and a Research Analyst, to prepare for the retirement of Brendan Wycks at the end of this year.

I am delighted to let you know that we now have two new staff members who have formally started today.

Shanay Smith, Operations Manager, has a wealth of experience in project management, operations, and senior administrative support.

[Shanay Smith LinkedIn Profile](#)

Robyn Jennings, Research Analyst, brings excellent analytical, research, and writing skills with a background working in numerous government agencies, including Global Affairs Canada.

[Robyn Jennings LinkedIn Profile](#)

I will be setting up a series of virtual meetings with all CAFII Chairs and Vice Chairs so they can meet Shanay and Robyn, and I also look forward to introducing them to you in person at upcoming CAFII meetings and events.

Background Information

Lyn Wallington, from our Association Management Company Managing Matters, has been pivotal in this effort. Over 2000 applicants were received for each position. The two successful applicants went through a phone interview, an in-person interview with Lyn and me, a panel interview with the EOC Chair Rob Dobbins and Vice Chair Karyn Kasperski (EOC members were also invited to join that panel interview and R&E Committee Chair and EOC member Andrea Stuska was also present at that meeting), and each candidate submitted a written assignment. Through this rigorous process we were able to find two candidates with excellent skillsets, and who have a strong cultural fit with CAFII.

Please join me in welcoming Shanay and Robyn to their new roles!

Regards,

--Keith

Keith Martin

Co-Executive Director / Co-Directeur général

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 4(a) Financial Management - CAFII Financial Statements as at October 31/23

Purpose of this Agenda Item—Update

To update the Board, and seek its approval of the CAFII financial statements as at October 31/23.

Background Information

CAFII Treasurer Donald Hinnecke will provide a financial update based on the Association's financial statements as at October 31/23, and Chair Peter Thompson will then seek the Board's approval of them.

Recommendation / Direction Sought— Update and Approval

This is an update item, with Board approval sought.

Attachments Included with this Agenda Item

One (1) attachment.

CAFI

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

Statement of Operations As at Oct 31st, 2023

	Current Month	Budget Oct-23	Variance to Monthly Budget	Current YTD	Budget '23 YTD	Variance Budget to YTD	Budget 2023
Revenue							
Membership Dues	\$79,425	\$77,497	\$1,928	\$794,248	\$774,970	\$19,278	\$929,964
Interest	\$1,119	\$458	\$661	\$9,468	\$4,580	\$4,888	\$5,500
Investments - Interest-Savings, Short-term CD	\$1,427	\$0	\$1,427	\$9,436	\$0	\$9,436	\$0
Misc (One time event fees)	\$0	\$0	\$0	\$380	\$0	\$380	\$0
TOTAL REVENUE	\$81,971	\$77,955	\$ 4,016	\$813,532	\$779,550	\$33,982	\$935,464
Expenses							
Office Costs							
Management Fees (CAFI staff and Managing Matters)	\$61,763	\$44,899	(\$16,864)	\$512,993	\$448,990	(\$64,003)	\$538,784
New hire for 6 months overlap	\$0	\$17,149	\$17,149	\$0	\$68,596	\$68,596	\$102,895
Audit Fees	\$1,367	\$1,367	\$0	\$13,168	\$13,670	\$502	\$16,402
Insurance	\$722	\$575	(\$147)	\$6,237	\$5,750	(\$487)	\$6,902
Member Communication and Technology Tools	\$994	\$734	(\$260)	\$9,952	\$7,340	(\$2,612)	\$8,810
Telephone/Fax/Internet	\$104	\$482	\$378	\$4,325	\$4,820	\$495	\$5,789
Postage/Courier	\$0	\$7	\$7	\$73	\$63	(\$10)	\$86
Office Expenses	\$63	\$896	\$833	\$2,267	\$8,960	\$6,693	\$10,751
Bank Charges	\$161	\$52	(\$109)	\$532	\$520	(\$12)	\$628
New Office Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Computer/Office Equipment	\$206	\$235	\$29	\$961	\$2,350	\$1,389	\$2,821
Miscellaneous Expense	\$0	\$0	\$0	\$0	\$250	\$250	\$500
Total Office related expenses	\$65,378	\$66,396	\$1,018	\$550,507	\$561,309	\$10,802	\$694,369
Legal and consulting costs associated with regulatory submissions and initiatives	\$492	\$8,040	\$7,548	\$18,479	\$74,320	\$55,841	\$90,400
Board/EOC/AGM							
Annual Members and Associates Luncheon	\$0	\$0	\$0	\$13,666	\$16,120	\$2,454	\$16,120
Board Hosting (External)	\$0	\$0	\$0	\$7,500	\$16,050	\$8,550	\$24,075
Board/EOC Meeting Expenses	\$2,770	\$3,454	\$684	\$11,214	\$24,178	\$12,964	\$31,089
Industry Conferences and Events	\$226	\$0	(\$226)	\$4,410	\$2,800	(\$1,610)	\$3,627
EOC Annual Appreciation Dinner	\$0	\$0	\$0	\$2,964	\$5,676	\$2,712	\$5,676
Speaker fees & travel	\$0	\$0	\$0	\$738	\$1,500	\$762	\$1,500
Gifts	\$0	\$107	\$107	\$0	\$1,070	\$1,070	\$1,284
Networking Events	\$0	\$1,413	\$1,413	\$61	\$5,650	\$5,589	\$5,650
CAFI 25th Anniversary Celebration	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Board/EOC/AGM	\$2,996	\$4,974	\$1,978	\$40,552	\$73,044	\$32,492	\$89,021
Regulatory and Industry							
Provincial Regulatory Visits and Relationship-Building	\$2,867	\$0	(\$2,867)	\$20,234	\$41,000	\$20,766	\$41,000
Federal Regulatory Visits and Relationship-Building	\$0	\$0	\$0	\$0	\$5,000	\$5,000	\$5,000
Research/Studies	\$0	\$0	\$0	\$10,848	\$16,950	\$6,102	\$67,800
Webinar Fees	\$1,921	\$2,561	\$640	\$11,526	\$12,805	\$1,279	\$15,368
Website SEO and Enhancements	\$11,300	\$11,300	\$0	\$33,900	\$33,900	\$0	\$45,200
CAFI Benchmarking Study/RSM Canada	\$16,950	\$17,798	\$848	\$50,850	\$53,394	\$2,544	\$71,190
Media Outreach	\$83	\$0	(\$83)	\$1,818	\$6,780	\$4,962	\$9,040
Media Consultant Retainer	\$2,543	\$3,125	\$583	\$27,593	\$31,250	\$3,657	\$37,500
Marketing Collateral	\$0	\$3,500	\$3,500	\$1,462	\$3,500	\$2,038	\$7,000
Total Regulatory and Industry	\$35,664	\$38,284	\$2,620	\$158,232	\$204,579	\$46,347	\$299,098
TOTAL EXPENSE	\$104,531	\$117,694	\$13,163	\$767,770	\$913,252	\$145,482	\$1,172,888
NET INCOME	(\$22,560)	(\$39,739)	17,179	\$45,762	(\$133,702)	\$ 179,464	(\$237,424)
proof	0	-	-	0	-	-	-

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 cafi.com, subscription and website improvements.

CAFI

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Toronto, ON M5A 3S5

Balance Sheet

As at Oct 31st, 2023

	CAFI Operations		
	31-Oct 2023	30-Sep 2023	31-Dec 2022
ASSETS			
Current Assets			
Bank Balance	\$64,960	\$161,846	\$324,108
Savings Account	\$426,713	\$425,594	\$417,244
TD Investment in GIC- 1104 8045480 01	\$400,000	\$400,000	\$0
Accounts Receivable	\$0	\$0	\$0
Interest Receivable	\$2,532	\$1,105	\$0
Prepaid Expenses	\$7,871	\$8,641	\$6,397
Computer/Office Equipment	\$17,880	\$17,880	\$10,878
Accumulated Depreciation -Comp/Equip	(\$9,691)	(\$9,486)	(\$8,730)
Total Current Assets	\$910,264	\$1,005,580	\$749,898
TOTAL ASSETS	\$910,264	\$1,005,580	\$749,898
	-	-	-
LIABILITIES			
Current Liabilities			
Accrued Liabilities	\$15,405	\$14,038	\$15,916
Credit Card	\$1,396	\$1,138	\$566
Account Payable	\$19,576	\$14,532	\$64,141
Deferred Revenue	\$158,850	\$238,275	\$0
Total Current liabilities	\$195,227	\$267,983	\$80,623
TOTAL LIABILITIES	\$195,227	\$267,983	\$80,623
	-	-	-
UNRESTRICTED NET ASSETS			
Unrestricted Net Assets, beginning of year	\$669,275	\$669,275	\$505,900
Excess of revenue over expenses	\$45,762	\$68,322	\$163,374
Total Unrestricted Net Assets	\$715,037	\$737,597	\$669,275
Total Unrestricted Net Assets	\$715,037	\$737,597	\$669,275
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$910,264	\$1,005,579	\$749,898
	-	0	-
Financial Reserves Targets as per 2023 Budget:			
Minimum 3 months (25%) of Annual Operating Expenses=		\$ 293,222	- 0.04
Maximum 6 months (50%) of Annual Operating Expenses=		\$ 586,444	- 0.08
Current Level of Financial Reserves (total unrestricted net assets):		\$715,037	
Current Level of Financials Reserve (%) :		61%	0.00

C A F I I

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Toronto, ON M5A 3S5

Membership Fees

		Feb-23		<u>Method of Payment</u>	<u>Received Date</u>
		<u>Billed</u>	<u>Received</u>		
TD Insurance	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Cheque	23-Feb-23
BMO Bank of Montreal	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	16-Mar-23
CIBC Insurance	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	27-Feb-23
RBC Insurance	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	02-Mar-23
Scotia Insurance	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	28-Feb-23
Desjardins Financial Security Life Assura	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Cheque	28-Feb-23
National Bank Insurance	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	16-Feb-23
Manulife Financial	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	13-Feb-23
The Canada Life Assurance Company	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	19-Apr-23
Securian Canada	2023 Lower Tier Member	\$ 38,555	\$ 38,555	Cheque	23-Feb-23
Assurant	2023 Lower Tier Member	\$ 38,555	\$ 38,555	Direct Payment - EFT	23-Mar-23
Valeyo	2023 Lower Tier Member	\$ 38,555	\$ 38,555	Direct Payment - EFT	03-Mar-23
CUMIS Group Ltd	2023 Lower Tier Member	\$ 38,555	\$ 38,555	Cheque	28-Mar-23
Canadian Tire Bank	2023 Lower Tier Member	\$ 38,555	\$ 38,555	Direct Payment - EFT	20-Apr-23
Chubb Life Insurance Company of Canada	2023 Initiation Members (Lower Tier)	\$ 23,133	\$ 23,133	Cheque	04-Apr-23
RSM Canada	Associate	\$ 4,800	\$ 4,800	cheque	11-Apr-23
Willis Towers Watson	Associate	\$ 4,800	\$ 4,800	Direct Payment - EFT	13-Apr-23
KPMG LLP	Associate	\$ 4,800	\$ 4,800	Cheque	18-Apr-23
Optima Communications	Associate	\$ 4,800	\$ 4,800	Direct Payment - EFT	17-Feb-23
RGA Life Reinsurance Company of Canada	Associate	\$ 4,800	\$ 4,800	Direct Payment - EFT	31-Mar-23
Torys LLP	Associate	\$ 4,800	\$ 4,800	Direct Payment - EFT	28-Feb-23
Stikeman Elliott	Associate	\$ 4,800	\$ 4,800	Cheque	21-Mar-23
Norton Rose Fulbright Canada	Associate	\$ 4,800	\$ 4,800	Direct Payment - EFT	04-Apr-23
Royal & Sun Alliance Insurance Company	Associate	\$ 4,800	\$ 4,800	Cheque	28-Mar-23
Feb Invoices		\$953,098	\$953,098		
Total Membership Fees		\$953,098			
Total amount to reallocate monthly Jan-Dec. 2023		\$79,424.83			

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 4(b)

Financial Management - Forecast for CAFII 2023 Fiscal Year as at October 31/23

Purpose of this Agenda Item—Update

To update the Board.

Background Information

CAFII Treasurer Donald Hinnecke will update the Board on CAFII's financial forecast through to the end of the 2023 fiscal year, as at October 31/23.

Recommendation / Direction Sought—Update

This is an update-only item.

Attachments Included with this Agenda Item

One (1) attachment.

**2023 CAFII Budget
In \$ Cdn**

	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	CAFII 2023 Budget	2023 YTD Oct 2023	2023 Forecast	Comment/Rationale
Revenue								
Membership Dues	734,664	884,721	955,970	\$991,653	\$929,964	\$794,248	\$953,097	New member not in plan (Lower tier)
Interest	982	399	236	\$2,579	\$5,500	\$9,468	\$11,468	Higher interest rates
Investments - Interest-Savings, Short-term CD	-	-	-	\$0	\$0	\$9,436	\$11,363	Not in Plan
CCBPI Revenue + one time event fees	195	-	-	\$12,511	\$0	\$380	\$380	
TOTAL REVENUE	735,841	885,120	956,206	\$1,006,743	\$935,464	\$813,532	\$976,308	
EXPENSE								
Office Costs								
Management Fees (CAFII staff and Managing Matters)	465,134	476,844	486,711	\$507,904	\$538,784	\$512,993	\$637,578	Includes costs for new staff and one time fees of ~\$27,000
New hire for 6 months overlap					\$102,895	\$0		Included in Mgmt fees
Audit Fees	14,799	16,743	13,224	\$15,187	\$16,402	\$13,168	\$15,902	Run Rate
Insurance	5,338	5,385	5,877	\$6,275	\$6,902	\$6,237	\$7,681	Run Rate
Member Communication and Technology Tools	10,022	5,765	6,958	\$7,990	\$8,810	\$9,952	\$11,422	Run Rate; new costs for additional staff members
Telephone/Fax/Internet	6,494	5,808	6,799	\$5,935	\$5,789	\$4,325	\$5,824	Run Rate; new costs for additional staff members
Postage/Courier	159	53	-	\$60	\$86	\$73	\$125	Placeholder, not material
Office Expenses	2,025	2,158	2,694	\$7,898	\$10,751	\$2,267	\$3,267	Run rate, slightly elevated for fall program
Bank Charges	112	236	663	\$548	\$628	\$532	\$682	Same as budget
New Office Equipment				\$0	\$0	\$0	\$0	Same as budget
Depreciation Computer/Office Equipment	1,136	1,136	1,136	\$716	\$2,821	\$961	\$1,381	Run rate, new equipment re new staff
Miscellaneous Expense	-	-	-	\$283	\$500	\$0	\$0	Same as budget
Total Office related expenses	505,219	514,128	524,061	\$552,796	\$694,369	\$550,507	\$683,862	
Legal and consulting costs associated with regulatory submissions and initiatives	-	28,975	74,221	\$0	\$90,400	\$18,479	\$28,478	Actual spend plus additional \$10,000 for legal work yet to be defined
Board/EOC/AGM								
Annual Members and Associates Luncheon	12,052	-	-	\$13,147	\$16,120	\$13,666	\$13,666	Actual spend, no further costs
Board Hosting (External)	14,001	-	-	\$203	\$24,075	\$7,500	\$15,000	Reduced spend projected
Board/EOC Meeting Expenses	35,419	4,676	1,822	\$11,361	\$31,089	\$11,214	\$15,954	Actual spend with increases Q3/Q4 due to new staff members
Industry Conferences and Events	-	-	-	\$615	\$3,627	\$4,410	\$4,410	rolled into other lines
EOC Annual Appreciation Dinner	2,193	4,244	-	\$2,501	\$5,676	\$2,964	\$2,964	Hold to Budget for year
Speaker fees & travel	1,189	-	-	\$0	\$1,500	\$738	\$738	rolled into other lines
Gifts	200	-	-	\$765	\$1,284	\$0	\$0	rolled into other lines
Networking Events	-	-	-	\$1,854	\$5,650	\$61	\$13,262	Lines above rolled into this forecast
CAFII 25th Anniversary Celebration	-	-	-	\$15,315	\$0	\$0	\$0	
Total Board/EOC/AGM	65,053	8,920	1,822	\$45,761	\$89,021	\$40,552	\$65,994	
Regulatory and Industry								
Provincial Regulatory Visits and Relationship-Building	16,833	983	-	\$9,205	\$41,000	\$20,234	\$27,500	Revised estimate
Federal Regulatory Visits and Relationship-Building	442	540	-	\$0	\$5,000	\$0	\$0	Included in Provincial
Research/Studies	5,368	28,646	75,473	\$73,026	\$67,800	\$10,848	\$68,814	CAFII 2023 Research Project w LIMRA in Q4
Webinar Fees				\$7,684	\$15,368	\$11,526	\$13,684	Revised estimate
Website SEO and Enhancements	40,914	31,144	50,737	\$45,200	\$45,200	\$33,900	\$45,200	Revised estimate
CAFII Benchmarking Study/RSM Canada	-	68,365	67,800	\$67,800	\$71,190	\$50,850	\$67,800	Revised estimate
Media Outreach	5,683	350	9,542	\$2,779	\$9,040	\$1,818	\$2,151	Revised estimate
Media Consultant Retainer	27,120	27,685	29,792	\$37,331	\$37,500	\$27,593	\$35,608	New Media consultant Oct 23, run rate higher than plan
Marketing Collateral	1,629	845	717	\$1,787	\$7,000	\$1,462	\$2,700	Revised Estimate
Total Regulatory and Industry	105,543	179,462	254,966	\$244,812	\$299,098	\$158,232	\$263,457	
TOTAL EXPENSE	675,816	731,485	855,070	\$843,368	\$1,172,888	\$767,770	\$1,041,792	
Excess of Revenue over Expenses	60,025	153,636	101,136	\$163,375	-\$237,424	\$45,762	-\$65,484	
Unrestricted Net Assets (beginning of year)	170,198	230,223	230,223	\$505,900	\$621,727	\$669,275	\$669,275	
Unrestricted Net Assets (end of period)	230,223	383,859	331,359	\$669,275	\$384,303	\$715,037	\$603,790	

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

Actual/Forecasted Financial Reserves	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	CAFII 2023 Budget	2023 YTD Oct 2023	2023 Forecast
Minimum 3 months (25%) of Annual Operating Expenses =	\$168,954	\$182,871	\$213,767	\$210,842	\$293,222	\$191,943	\$260,448
Maximum 6 months (50%) of Annual Operating Expenses =	\$337,908	\$365,742	\$427,535	\$421,684	\$586,444	\$383,885	\$520,896
Actual/Forecasted Level of Financial Reserves:	\$230,223	\$383,859	\$331,359	\$669,275	\$384,303	\$715,037	\$603,790
Actual/Forecasted Level of Financial Reserves %:	34%	52%	39%	79%	33%	93%	58%

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 (Up	46,266	1	46,265.94
Initiation Members (Lo	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 (Up	46,266	1	46,265.94
Initiation Members (Lo	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
Scotiabank 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
Scotiabank 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
ScotiaLife 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 prorate CTB's 2021 Initiation Member Dues to 7/12 of the full year amount

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	9	43,200.00
			991,651.77

2022 Upper Tier Member

BMO Bank of Montreal
CIBC Insurance
RBC Insurance
ScotiaLife 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
Stikeman Elliott LLP
RSA
Norton Rose Fulbright Canada

Initiation Members (Lower Tier)

Canadian Tire Bank

2nd Year

2023 Operational Budget - Member Dues Breakdown - No Dues Increase

2023 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	5	192,774.75
Initiation Members (Upper Tier)	46,266	0	0.00
Initiation Members (Lower Tier)	23,133	1	23,132.97
Associate	4,800	9	43,200.00
			953,096.82

2023 Upper Tier Member

BMO Bank of Montreal
CIBC Insurance
RBC Insurance
ScotiaLife Financial
TD Insurance
Desjardins Financial Security Life Assurance Company
National Bank Life Insurance Company
Manulife Financial
The Canada Life Assurance Company
Sun Life Financial - Remove next year

2023 Lower Tier Member

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

2022 Initiation Members (Upper Tier)

2023 Associate

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

Initiation Members (Lower Tier)

Chubb Life Insurance Company of Canada

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 4(c)

Financial Management – Proposed CAFII 2024 Operating Budget (*may be assigned to In Camera Session following initial discussion, if desired by the Board*)

Purpose of this Agenda Item—Update/Discussion/Approval

To present the Proposed CAFII 2024 Operating Budget to the Board for discussion, and seek the Board's approval of it.

Background Information

The Proposed CAFII 2024 Operating Budget is recommended for Board approval by CAFII management; Treasurer Donald Hinneke; Executive Operations Committee (EOC) Chair Rob Dobbins and Vice-Chair Karyn Kasperski; and it has received endorsement from the full EOC through a process that involved presentation and discussion at the November 14/23 EOC meeting, followed by a further week for review and feedback/assent via email.

Recommendation / Direction Sought—Update/Discussion/Approval

This is an update/presentation item with significant time allotted for discussion, following which the Board's approval of the Proposed CAFII 2024 Operating Budget will be sought.

Chair Peter Thompson will remind Board members that, if the Board so desires, further discussion of the Proposed CAFII 2024 Operating Budget may occur in the unminuted *In Camera Session* that will take place following the conclusion of the open, minuted portion of this meeting.

Attachments Included with this Agenda Item

One (1) attachment.

2024 CAFII Budget
In \$ Cdn

Agenda Item 4 c
December 5/23 Board Meeting

	2022 Actuals	YTD Sep 2023	2023 Budget	2023 Forecast	CAFII 2024 Budget	Alternative Budget per Discussion	Growth % (2024 Base Case vs 2023 Forecast)	Comment/Rationale
Revenue								
Member and Associate Dues	991,653	\$714,823	\$929,964	\$953,097	\$916,342	\$916,342		No Member Dues Increase; Loss of Valeyo as a Member; Increase in Associate Dues from \$4800 to \$5,000 (first increase since 2011)
Interest	2,579	\$16,358	\$5,500	\$22,831	\$15,000	\$15,000		Surplus cash invested in short-term GICs (e.g. 100 days)
Miscellaneous (One time event fees)	12,511	\$380		\$380	\$0	\$0		Extra, non-complimentary seats purchased for Annual Members and Associates Luncheon
TOTAL REVENUE	1,006,743	\$731,561	\$935,464	\$976,308	\$931,342	\$931,342	-5%	
EXPENSE								
Office Costs								
CAFII Staff Salaries and Benefits					\$406,267	\$406,267	0%	3 staff members in 2024; includes 4% increase over 2023, but pro-rated for new hires (August 2023 start)
Managing Matters Contractual Fees	507,904	\$451,230	\$538,784	\$637,578	\$127,648	\$127,648	-80%	2.0% contractual increase over 2023
New Hire for 6 months			\$102,895		\$0	\$0		
Managing Matters Webinar Fees	7,684	\$9,605	\$15,368	\$13,684	\$11,526	\$11,526	-16%	6 webinars @ \$1700 each with HST
Audit Fees	15,187	\$11,801	\$16,402	\$15,902	\$17,000	\$17,000	7%	~ 8% increase on 2023 Actual amount--audit firm said this increase is coming
Insurance	6,275	\$5,515	\$6,902	\$7,681	\$8,500	\$8,500	11%	~10% on 2023 Actual amount, as per advice from insurance broker Prolink
Member Communication and Technology Tools	7,990	\$8,958	\$8,810	\$11,422	\$11,500	\$11,500	1%	No increase in this item for annual subscriptions/fees for CG Technologies support; Constant Contact; Soda PDF Premium; Zoom; Survey Monkey; and MSTEams Virtual Platform
Telephone/Fax/Internet	5,935	\$4,221	\$5,789	\$5,824	\$6,000	\$6,000	3%	No increase over forecast- Includes Office Telephone landline (\$56.50 per month), Conference Calls facility (\$47.46 per month) & Staff members' home office internet and mobile phone charges
Postage/Courier	60	\$73	\$86	\$125	\$200	\$200	60%	33% increase on 2023 Forecast amount- Occasional Cheque Mailings and Ad Hoc Mailings
Office Expenses	7,898	\$2,204	\$10,751	\$3,267	\$3,600	\$3,600	10%	~5% Increase on 2023 Forecast amount: CAFII office supplies for MM and for Staff members' home offices--one more CAFII staff member in 2024
Bank Charges	548	\$371	\$628	\$682	\$680	\$680	0%	No increase on 2023 Forecast amount- Annual Credit Card Fee (\$190) plus monthly EFT fee (\$25 per month)
New Office Equipment		\$0	\$0	\$0	\$0	\$0		
Depreciation Computer/Office Equipment	716	\$756	\$2,821	\$1,381	\$3,217	\$3,217	133%	Depreciations of three staff members' computer equipment plus purchase of 2 new Ipad's (Removed Brendan's equipment- which will be fully depreciated)
Professional Development/Continuing Education			\$0	\$0	\$8,475	\$5,650		One Job-related Professional Development program for Keith Martin
Miscellaneous Expense	283	\$0	\$500	\$0	\$0	\$0		
Total Office-Related Expenses	560,480	\$494,734	\$709,736	\$697,546	\$604,613	\$601,788	-13%	
Legal Counsel and Consultant Support Associated with Regulatory Submissions and Related Communications/Advocacy Initiatives	-	\$17,987	\$90,400	\$28,479	\$50,000	\$30,000	76%	In 2022 a \$90K provision was made for legal fees, and none of that provision was used. In 2023 a \$90K provision was made for legal fees of which about \$18K was used. The forecast is for \$28K because, to be cautious, we have left an additional amount of \$10K in case some legal issue same up. At this stage, we are likely only going to see a 2023 legal expense of \$18K. There are no known legal issues for 2024 that would incur costs, but it is prudent to allocate some amount for legal fees in case an issue arises. It is proposed to allocate \$30K as a reasonable contingency for 2024 given our experience over the past two years, and given that there are no known legal issues for us to prepare for at this time.
Board/EOC/AGM								
Annual Members and Associates Luncheon	13,147	\$13,666	\$16,120	\$13,666	\$14,000	\$14,000	2%	No increase from 2023 Forecast Amount
Board Hosting (External)	203	\$7,500	\$24,075	\$15,000	\$22,500	\$7,500	50%	CAFII Board Hosting Reimbursement Policy provides for up to \$7,500 reimbursement to Member host of a CAFII Board meeting and/or Reception event. In 2024 there are three non-Bank hosts of Board receptions that could result in a charge-back to CAFII of up to \$7500. Two of these companies have indicated that they will not take advantage of the charge-back, and the third has not yet responded. The allocation is for one member to use the charge back
Board/EOC Meeting Expenses	11,361	\$8,444	\$31,089	\$15,954	\$16,000	\$16,000	0%	No Increase from 2023 forecast
Industry Conferences and Events	615	\$4,184	\$3,627	\$4,410	\$15,000	\$11,000	240%	Includes Travel Expenses for 3 CAFII staff members to attend May 2024 CLHIA Compliance and Consumer Complaints Annual Conference in Vancouver
EOC Annual Appreciation Dinner	2,501	\$2,964	\$5,676	\$2,964	\$6,500	\$6,500	119%	14.5% increase on 2023 budget amount. CAFII's 2023 budget allocated more for the EOC appreciation dinner than what was actually incurred. We are retaining and slightly expanding on the 2023 budget allocation versus forecast in the expectation that with more EOC members and with return to office more prevalent, we will have a higher number of attendees in 2024 than in 2023.
Speaker fees & travel	-	\$738	\$1,500	\$738	\$1,600	\$1,600	117%	No change to 2023 forecast amount - 1 speaker with fees budgeted for 2024
Gifts	765	\$0	\$1,284	\$0	\$1,200	\$1,200	0%	This is a placeholder of \$1200
CAFII Staff/Board Relationship-Building					\$2,000	\$2,000		New Initiative: Provision for informal relationship-building lunches every second month for 3 CAFII staff members with each CAFII Board member and team members they may wish to bring, approximately once every 18 months or more for each Director (focused on Member satisfaction, feedback, and suggestions for improvements); as well as once a year lunch with EOC Chair, Vice Chair, and Treasurer
Networking Events	1,854	\$61	\$5,650	\$13,262	\$2,000	\$2,000	-85%	~2023 includes one time retirement party for Brendan of ~\$10000. That is a one-time expense that will not be repeated in 2024.
Miscellaneous Expenses					\$1,000	\$1,000		New initiative - Administration of Kolbe workstyles assessment instrument, and related results reporting for new/incoming EOC Chair and EOC Vice-Chair
CAFII 25th Anniversary Celebration	15,315	\$0	\$0	\$0	\$0	\$0	0%	No provision required: next CAFII Anniversary Celebration will be 30th in 2027
Total Board/EOC/AGM	45,761	\$37,557	\$89,021	\$65,994	\$81,800	\$62,800	24%	
Regulatory and Industry								
Provincial Regulatory Visits and Relationship-Building	9,205	\$17,364	\$41,000	\$27,500	\$3,000	\$6,600	-89%	CAFII has met all regulators in every province in Canada in 2023. In 2024, the CLHIA Conference in 2024 will be in Vancouver, and there may be the opportunity to meet regulators, especially from western Canada, at that time. Our plans for Regulatory Tours is to visit the western provinces in spring 2025, and the Atlantic Canada provinces in fall 2025. The budget allocation for this line item in 2024 is for up to 4 regulatory visits to Quebec, with the potential for the Executive Director to develop a relationship with the new AMF Superintendent of Client Services and Distribution Oversight.
Federal Regulatory Visits and Relationship-Building	-	\$0	\$5,000	\$0	\$2,000	\$2,000	0%	Provision for return to in-person relationship-building meetings with FCAC, this is for travel to Ottawa and other expenses.
Research/Studies	73,026	\$10,848	\$67,800	\$68,814	\$68,814	\$68,814	0%	No increase
Website SEO and Enhancements	45,200	\$22,600	\$45,200	\$45,200	\$96,276	\$96,276	113%	Includes one-time-only 2024 provision of \$40K for rebuilding the back-end of CAFII website
CAFII Benchmarking Study/RSM Canada	67,800	\$33,900	\$71,190	\$67,800	\$67,800	\$67,800	0%	No increase for continuation of CAFII CPI Benchmarking Study with RSM Canada, estimated at \$60K plus +HST
Media Outreach	2,779	\$1,735	\$9,040	\$2,151	\$3,000	\$3,000	39%	For wire services and related media release expenses, + HST+ \$300 for new Keith Martin photograph by professional photographer
Media Consultant Retainer	37,331	\$25,051	\$37,500	\$35,608	\$36,000	\$36,000	1%	The contract with the new Media Consultant allows for the 10-hour monthly retainer, if not used in any given month, to be used in a future month. This means that if the consultant uses more than 10 hours in a month, they will not charge extra, but rather will use another month's unused allocation. Hence, the 2024 retainer costs should be slightly lower than in 2023.
Marketing Collateral	1,787	\$1,462	\$7,000	\$2,700	\$2,700	\$2,700	0%	Same as 2023 Forecast amount: provision for design and printing of CAFII marketing materials, such as research results leave-behinds
Total Regulatory and Industry	237,128	\$112,960	\$283,730	\$249,773	\$279,590	\$283,190	12%	
TOTAL EXPENSE	843,369	\$663,238	\$1,172,887	\$1,041,792	\$1,016,003	\$977,778	-2%	
Excess of Revenue over Expenses	163,374	\$68,323	-\$237,423	-\$65,484	-\$84,661	-\$46,436		One Job-related Professional Development program for Keith Martin+K3-M26
Unrestricted Net Assets (beginning of year)	230,223	\$669,275	\$621,727	\$669,275	\$603,791	\$603,791		
Unrestricted Net Assets (end of year)	393,597	\$737,598	\$384,304	\$603,791	\$519,130	\$557,355		

Explanatory Notes:

(2) Amortization of office equipment based on 4 year straight line depreciation

Actual/Forecasted Financial Reserves	2021 Actuals	YTD Oct 2022	2022 Plan	2022 Forecast	CAFII 2023 Plan Base Case (4% staff salary Increase)	Alternative Budget per Discussion
Minimum 3 months (25%) of Annual Operating Expenses =	\$210,842	\$165,809	\$293,222	\$260,448	\$254,001	\$244,444
Maximum 6 months (50%) of Annual Operating Expenses =	\$421,685	\$331,619	\$586,444	\$520,896	\$508,001	\$488,889
Actual/Forecasted Level of Financial Reserves:	\$393,597	\$737,598	\$384,304	\$603,791	\$519,130	\$557,355
Actual/Forecasted Level of Financial Reserves %:	47%	93%	33%	58%	51%	57%

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 5(a)

Strategic and Regulatory Matters - CAFII Implications of Eric Jacob's Transition into AMF Head of Enforcement Role and Departure as Superintendent, Client Services and Distribution Oversight

Purpose of this Agenda Item—Update/Discussion

To provide an update to the Board, with an opportunity for discussion, of the implications of the recent announcement by Yves Ouellet, the AMF's new CEO, that Eric Jacob will now take on the role of Head of Enforcement on a permanent basis; and therefore, a successor to Eric will be appointed into the role of Superintendent, Client Services and Distribution Oversight in the near future.

Background Information

Co-Executive Director Keith Martin will update the Board on Eric Jacob's transition into the AMF's Head of Enforcement role on a permanent basis; and his resulting vacating of the role of Superintendent, Client Services and Distribution Oversight. This transition may have serious implications for CAFII and its relationship with the AMF, depending on who succeeds Mr. Jacob in the Superintendent role.

Recommendation / Direction Sought—Update/Discussion

This is an update item, with an opportunity for Board discussion.

Attachments Included with this Agenda Item

One (1) attachment.

***Agenda Item 5(a)
December 5/23 Board Meeting***

AMF Names New Enforcement Chief

Interim Executive Director, Eric Jacob, To Take The Role Permanently, Starting November 13

By James Langton, Investment Executive, November 10, 2023

<https://www.investmentexecutive.com/news/from-the-regulators/amf-names-new-enforcement-chief/>

The Autorité des marchés financiers' (AMF) interim head of enforcement, Eric Jacob, has been named the division's new chief.

Jacob, who joined the AMF in 2008 and served as interim executive director of enforcement since March 17, is taking the role permanently as of Nov. 13.

"Eric brings a wealth of knowledge and experience to the top role at AMF enforcement, as evidenced by his committed work at the head of various units and impressive track record at the AMF," said Yves Ouellet, president and CEO of the regulator, in a release.

"His recognized sector expertise, strategic vision and facilitative approach will provide significant value to AMF enforcement and the entire AMF team," he added.

While serving as interim head of enforcement, Jacob also maintained his previous position as superintendent, client services and distribution oversight, a position he held since 2021. He will now continue in that role on an interim basis.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 5(b)

Strategic and Regulatory Matters - Insights Gained from November 24/23 Quarterly Virtual Liaison Meeting Between CAFII Board Chair P. Thompson and AMF Superintendent É. Jacob

Purpose of this Agenda Item—Update/Discussion

To provide an update, with an opportunity for Board discussion, on the insights gained from the November 24/23 Quarterly Virtual Liaison Meeting Between CAFII Board Chair Peter Thompson and AMF Superintendent of Client Services and Distribution Oversight Éric Jacob.

Background Information

Board Chair Peter Thompson and Co-Executive Director Keith Martin will update the Board on the insights gained from Peter's November 24/23 Quarterly Virtual Liaison Meeting with AMF Superintendent, Client Services and Distribution Oversight Éric Jacob.

Recommendation / Direction Sought—Update/Discussion

This is an update item, with an opportunity for Board discussion.

Attachments Included with this Agenda Item

One (1) attachment.

Peter Thompson Meeting with Éric Jacob and Christian Beaulieu 24 November 2023

**Summary of a Virtual Meeting between CAFII Board Chair Peter Thompson and AMF Superintendent of Client Services and Distribution Oversight Éric Jacob
24 November, 2023**

Summary of 24 November, 2023 CAFII/AMF Meeting

Peter Thompson's regular quarterly meeting with Éric Jacob was held on 24 November, 2023. Éric Jacob brought to this meeting his direct report Christian Beaulieu, Senior Director, Distribution Practices. (Mr. Beaulieu is the relatively new Senior Director put into this position by Éric Jacob, and he is Mario Beaudoin's boss. He was present in-person at the CAFII-AMF Liaison Meeting on 10 October, 2023 in Montreal, and at the presentation in Quebec City by Keith Martin on 28 September, 2023.) Éric Jacob said that with his transitioning out of the Superintendent role, he felt that it would be helpful to bring Christian Beaulieu to this meeting to ensure a smooth transition. (Peter Thompson in his debrief with the CAFII team about this meeting said that it was very clear that Christian Beaulieu had been fully briefed on the active files with CAFII, and he was nodding throughout the meeting, was engaged, and seemed very conversant with the issues being discussed.)

Peter Thompson raised the concern that a verbal agreement had been reached with Éric Jacob about embedded insurance products, and with Mr. Jacob's departure would this continue to be the agreed approach? Éric Jacob immediately responded that the agreement was not with him but with the AMF, and that it would absolutely continue to be honoured. Christian Beaulieu nodded throughout these comments, and clearly was familiar with the unwritten understanding that had been reached. Mr. Jacob said not to worry, the intention was to stay the course, and he then added that he wanted Christian Beaulieu to be involved in these files and we would find that he, like Éric Jacob, was not a rigid person, and was focused on finding solutions. Furthermore, Mr. Jacob emphasized that he was not leaving the AMF, and that while his role would change if there were any concerns we could always give him a call.

In further discussion, Mr. Jacob said that going forward the quarterly meetings would be with Christian Beaulieu and Peter Thompson and Éric Jacob would no longer be attending them, with the next one slated for end of February/early March 2024. However, Mr. Jacob would likely continue to be involved in any meetings on spousal insurance if these are held in January 2024.

The subject of spousal insurance was then discussed, and again Christian Beaulieu seemed very familiar with the file. Peter Thompson indicated that the report on the attrition of spousal policies will be shared with the AMF no later than early in the new year, and Éric Jacob said he and Christian Beaulieu understood the importance of the file to CAFII members and the AMF would be meeting and providing a response soon after receiving the report. Éric Jacob said he would be involved in that discussion at the AMF.

It is Peter Thompson's impression that the scenario the AMF would most likely consider is to extend the deadline for cancellation by another five years, rather than no longer requiring the cancellation of remaining policies. The key element which Éric Jacob seems to be looking for is a rate of attrition which shows a significant reduction in the number of these policies by January 2025 (50%?) and, by extrapolation, that by 2030 there would be almost none left.

Key Takeaways

- The unwritten agreement around embedded insurance is with the AMF, not Éric Jacob, and will not be impacted by Mr. Jacob's departure from the Superintendent role;
- Christian Beaulieu is being positioned as an important player going forward on the files we have been in discussion with the AMF about;
- The AMF is aware of the importance of the spousal issue to CAFII members and is ready to provide direction soon after receiving the report on the attrition of these policies.

Briefing Note

**CAFII Board Meeting, 5 December, 2023—Agenda Item 5(c)
Strategic and Regulatory Matters - Plans for December 14/23 Hybrid Get Acquainted and Dialogue
Meeting with AMF's New CEO Yves Ouellet**

Purpose of this Agenda Item—Update

To update the Board on CAFII's plans for a December 14/23 Hybrid Get Acquainted and Dialogue Meeting with the AMF's new CEO, Yves Ouellet.

Background Information

Co-Executive Director Keith Martin will provide an update on CAFII's plans for a December 14/23 Hybrid Get Acquainted and Dialogue Meeting with the AMF's new CEO, Yves Ouellet.

Recommendation / Direction Sought—Update

This is an update-only Item.

Attachments Included with this Agenda Item

One (1) attachment.

***Agenda Item 5(c)
December 5/23 Board Meeting***

Hello CAFII Board, EOC Chair and Vice Chair, and CAFII Staff:

The AMF has offered to introduce its new CEO Yves Ouellet to CAFII's Board; and has requested that the in-person component of the meeting in Montreal be small, and as such attending in-person in Montreal will be:

- CAFII Board Chair Peter Thompson;
- CAFII Board Vice Chair Paul Cosgrove;
- CAFII Co-Executive Director Keith Martin.

In addition to Yves Ouellet, AMF Superintendent Éric Jacob and his direct report Christian Beaulieu, Senior Director, Distribution Practices will also be attending, along with possibly some others from the AMF.

However, the AMF said that a virtual component could be extended to the full Board along with the EOC Chair and Vice Chair and CAFII staff. The link to the meeting invite is [here](#) and also below my signature block: [Cliquez ici pour rejoindre la réunion](#)

The AMF has said the meeting can be conducted in English. At the meeting, Yves Ouellet will share his vision for the AMF, and I will make a short presentation that focuses on the following themes:

- CAFII: history, mandate, and priorities;
- The regulatory environment;
- Harmonization;
- Fair Treatment of Customers;
- Technology evolution and the digitization expectations of customers;
- The importance of continuing the open communication between the AMF and CAFII that has characterized the relationship over the past year.

I will be adding this meeting to your calendar as well.

Any questions or concerns, please reach out to me.

Thank you,

--Keith

Keith Martin

Co-Executive Director / Co-Directeur général
Canadian Association of Financial Institutions in Insurance

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 5(d)i-ii Strategic and Regulatory Matters - Insights Gained from Recent CAFII Insurance Regulator and Policy-Maker Tour Visits

Purpose of this Agenda Item—Update/Discussion

To provide an update, with an opportunity for Board discussion, on insights gained from the recently completed Phase 2 (Nova Scotia; and Newfoundland and Labrador) of CAFII's 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour.

Background Information

Co-Executive Directors Keith Martin and Brendan Wycks will update the Board on insights gained from the following CAFII Insurance Regulator and Policy-Maker Tour Visits:

- i. Meeting with Nova Scotia Superintendent of Insurance and Staff Members, October 18/23; and
- ii. Meeting with Newfoundland and Labrador Superintendent of Insurance, Deputy Superintendent of Insurance, and related Ministerial executives, October 19/23.

In Phase 2 of CAFII's 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour, a delegation of seven (7) CAFII representatives, including staff, travelled to Nova Scotia; followed by Newfoundland and Labrador. CAFII's presentations and the resulting interactive dialogue were well-received in both provinces, with the meetings fostering positive relationship-building and -strengthening exchanges.

Recommendation / Direction Sought—Update/Discussion

This is an update item, with an opportunity for Board discussion.

Attachments Included with this Agenda Item

One (1) attachment.

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CAFII Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour:

September-October 2023

Prince Edward Island, New Brunswick, Nova Scotia, Newfoundland and Labrador

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CAFII Completes Regulatory and Policy-Maker In-Person Tours in Atlantic Canada: General Summary of Presentation

CAFII met with regulators and policy-makers from PEI (September 20, 2023); New Brunswick (September 21, 2023); Nova Scotia (October 18, 2023); and Newfoundland and Labrador (October 19, 2023).

CAFII's presentation in each of these meetings, conducted primarily by Keith Martin with input from Brendan Wycks and CAFII's delegation of member representatives, focused on informing regulators about CAFII's recent initiatives, including previous regulatory submissions and correcting misunderstandings, some of which have become myths, about credit protection insurance, along with sharing key priorities for the Association, such as the increasing importance of digital/electronic distribution channels in insurance. Emphasis was placed on the importance of dialogue with regulators for better consumer protection. One of CAFII's primary goals at these meetings is to learn about regulators' and policy-makers' objections and concerns so that CAFII can remain informed regarding consumer protection initiatives, and overall regulator and policy-maker attitudes towards credit protection insurance.

After the completion of each regulatory tour visit, CAFII contacted the particular regulators and/or policy-makers who had attended to thank them for their time and ask for feedback. Generally, all expressed gratitude for CAFII's commitment to an in-person presentation.

CAFII's presentations focused on education about CAFII and the industry, key priorities for our Association, and the findings from the 2022 Pollara research on the attitudes of holders of credit protection insurance towards CPI. CAFII's recently expanded, current membership was highlighted, and there was a review of the improvements that have been made to the Association's website, which is a source of consumer-oriented financial literacy information.

The point was made that there had been a tremendous level of regulatory activity in the past year and a half, as regulators caught up on initiatives after a pause due to the COVID-19 pandemic. CAFII's commitment to regulator and policy-maker relationship building was emphasized, including the importance of these sorts of in-person meetings. CAFII deals with 31 different regulator/policy-maker/ombudservice bodies across Canada on behalf of its members, and the complexity of the regulatory environment makes harmonization critical to the industry. There was a discussion on the difference between harmonization versus alignment. CAFII's commitment to regulators having rule-making authority was noted.

There was a review of some of the key points made by the guest speakers at CAFII Reception events in recent months and an update on the Association's many webinars. With respect to CAFII webinars, many regulators and policy-makers whom CAFII met with in Atlantic Canada offered unsolicited favourable feedback about how informative and useful they have found CAFII webinars to be and how much they enjoyed attending them.

There was a review of technology and digitization changes taking place in the insurance marketplace, including artificial intelligence (AI) deployment, and how these could impact the industry and regulators.

CAFII noted that according to LIMRA research, a significant proportion of Canadians are underinsured or uninsured and that it was important to not restrict Canadians' access to life and health insurance products, including credit protection insurance.

CAFII emphasized its members' commitment to the fair treatment of customers and reviewed how CAFII members plan for, execute, and monitor activity with respect to proper sales practices not only through employee training but also by embedding fair treatment of customers-based sales practices in processes and in technology mechanisms.

There was reference made to CAFII's commitment to fostering and supporting diversity, equity, and inclusion (DEI).

It was noted that Brendan Wycks would be retiring at the end of 2023 and that Shanay Smith (Operations Manager) and Robyn Jennings (Research Analyst) have recently been hired to succeed B. Wycks on the CAFII staff team.

The 2022 Pollara research results were then summarized, with the following being the key highlights:

Canadians with CPI indicate that they are highly satisfied with the products and do not know what they would do without them if an unforeseen life and health-insurable event were to occur. It was noted that 69% of CPI holders believe that the products are affordable, and 66% believe that they provide good value for the money. According to Pollara, those two data points actually are very good results, as people always feel that the products they purchase are too expensive.

CPI holders are confident that they understand what would happen if they made a claim, and 77% held the view that a claim would be paid as expected.

More than half of CPI holders had sought information from sources other than the firm from which they had obtained the insurance.

On digitization, it was noted that the research results were a bit contradictory, with consumers wanting digital options but also wanting the ability to meet representatives in-person. The key take-away is that a hybrid model will be required going forward.

Consumer comprehension of CPI documentation is good but not great, with only 65% saying that they found the documents easy to understand; and this will be a continued area of

investment and focus for CAFII and its members going forward. It was noted that there always is a balance between the need to protect consumers and companies with legal language around a technical product, versus the need for simple language.

The Pollara consumer survey respondents reported that more than 8 in 10 processed CPI claims were paid, and 95% of mortgage life insurance claims were paid out. These poll results were validated by asking insurers for their actual claims payout, which produced a similar payout percentage number.

While 8 in 10 CPI holder claimants were satisfied with the claims experience, complaints about claims went up in 2022 (33%) relative to 2018 (25%); and satisfaction with how the complaints were handled dropped from 85% to 62%. Context for these findings was provided, including the temporary drop in service levels during the pandemic, the increased tendency of people to complain and their increased levels of stress and frustration overall, and the greater ease today, relative to pre-pandemic, to be able to file a complaint. It was noted that while complaints have increased, claims payout levels have remained the same.

Nevertheless, the fundamental point made was that CAFII and its members are committed to understanding and responding to these findings and to always seeking to improve the customer experience.

Prince Edward Island

CAFII Meets with PEI Regulatory Authorities on September 21, 2023

A delegation of eight (8) CAFII representatives travelled to Charlottetown to meet with representatives of PEI's Financial and Consumer Services Division, Ministry of Justice and Public Safety.

In attendance in-person at the meeting from CAFII were

- Michelle Costello, CUMIS/The Co-operators;
- Andrea Stuska, TD Insurance;
- John Burns, Securian Canada;
- Rob Dobbins; Assurant;
- Keith Martin, CAFII;
- Brendan Wycks, CAFII;
- Shanay Smith, CAFII; and,
- Robyn Jennings, CAFII.

In attendance in-person at the meeting from the PEI Financial and Consumer Services Division, Ministry of Justice and Public Safety:

- Curtis Toombs, General Counsel;
- Lauren Keefe-Hogan, Manager, Registry and Licensing Counsel; and,
- Robert Bradley, Superintendent of Insurance.

Steve Dowling (Division Director, Financial and Consumer Services Division, Ministry of Justice and Public Safety) did not attend but was instrumental in setting up this meeting.

Summary of Meeting

Keith Martin began CAFII's presentation with a breakdown of the Association's priorities and issues. He also explained CAFII's membership structure and relationship with insurance regulators and policy-makers.

He raised the issue of harmonization and explained how there is a general misunderstanding that harmonization is the same thing as alignment; however, that is not what harmonization really means. Harmonization means exact and precise parallelism and striving to use the exact same wordings and exact same regime structure features to the maximum degree possible. The problem with a lack of harmonization is that it compels a focus on exception management, where resources must be dedicated to understanding the subtle differences in wording from one jurisdiction to the next. Exception management saps the resources of regulated entities, diverting them away from a single-minded focus on meeting regulators' fair treatment of customers (FTC) expectations.

Robert Bradley responded to Keith Martin's comments by explaining that PEI's practice has been to harmonize with other jurisdictions in Canada to the extent that is possible. Mr. Bradley also said that as a small province, PEI tends to be a follower, one which adopts regulatory initiatives after they have been led and achieved by other provinces.

In that connection, CAFII EOC Chair Rob Dobbins noted the importance of the Canadian Council of Insurance Regulators (CCIR) to CAFII as a national coordinating body and its leadership efforts around national harmonization.

Robert Bradley asked about loss ratios for the credit protection insurance products offered by CAFII members, and Keith Martin responded that that information was not tracked by CAFII.

In response to the finding -- in the CAFII-commissioned consumer research carried out by Pollara Strategic Insights -- that 95% of CPI mortgage life insurance claims are paid out, Robert Bradley indicated that he was not convinced by that independent, third-party research finding; that he believed that post-claims underwriting was a concern with respect to CPI; and that he personally would "not purchase CPI products."

Brendan Wycks replied that post-claims underwriting was an inaccurate allegation and a myth levelled against CPI by players in the advice-based channel of the life and health insurance sector; and that the claims adjudication process followed by CPI insurers was the exact same process practised by all of life and health insurers, including those which underwrite term life and other forms of life and health insurance that is offered exclusively through licensed agents and brokers.

Rob Dobbins added that CAFII's research findings indicate that customers appreciate having CPI made available to them as an optional form of insurance coverage in the marketplace; and that they are satisfied with the product. Andrea Stuska added that consumers may not have access to any other kind of life and health insurance, depending upon their financial situation and their desirability as a client to a licensed insurance agent/broker; and that, as a result, access to CPI can be critically important for certain consumer segments.

Robert Bradley advised that there were no imminent regulatory changes in PEI of which CAFII should be made aware. Curtis Toombs and Lauren Keefe-Hogan expressed interest in being apprised of the results of any future consumer-focused research which CAFII might commission.

New Brunswick

CAFII Meets with New Brunswick Regulatory Authorities on September 22, 2023

A delegation of seven (7) CAFII representatives travelled to Fredericton, New Brunswick, to meet in-person with relevant staff executives from the Financial and Consumer Services Commission of New Brunswick (FCNB) Insurance Division.

In attendance in-person at the meeting from CAFII were

- Michelle Costello, CUMIS/The Co-operators;
- Andrea Stuska, TD Insurance;
- John Burns, Securion Canada;
- Rob Dobbins, Assurant;
- Keith Martin, CAFII;
- Brendan Wycks, CAFII; and,
- Robyn Jennings, CAFII.

In attendance in-person at the meeting from the Financial and Consumer Services Commission of New Brunswick (FCNB)'s Insurance Division were

- Angela Mazerolle, Vice-President, Regulatory Operations; and Superintendent of Insurance and Pensions;
- Jennifer Sutherland Green, Director, Insurance;
- Catherine Haines, Deputy Director – Licensing;

- Ryan Adams, Senior Legal Counsel; and,
- Robert Picard, Compliance Officer.

Summary of Meeting

Keith Martin began the meeting by introducing CAFII and explaining its key priorities and goals. During the presentation, Angela Mazerolle responded to CAFII's comments on the importance of harmonization by stating that a situation of completely harmonized regulation across the country was not achievable in a national federation nation such as Canada, where different provinces and territories have different requirements and priorities.

CAFII EOC Chair Rob Dobbins agreed that CAFII's harmonization request was an aspirational ask, but he stressed that the greater the degree of harmonization, the better. Angela Mazerolle said that FCNB would be receptive to doing what it could to avoid adopting and implementing unique approaches in New Brunswick.

Keith Martin acknowledged FCNB's proactiveness in consumer protection, as evidenced by its frequent consumer protection bulletins, and he said that FCNB was a leader in this area. Angela Mazerolle confirmed that that sort of consumer communication was a big priority for the FCNB; and that it regarded consumer education and fostering financial literacy to be an important part of how to protect consumers.

Keith Martin noted CAFII's support of regulatory authorities obtaining rule-making authority.

Angela Mazerolle stated that she personally would not purchase CPI products, and CAFII delegation members, including Brendan Wycks, Rob Dobbins, and Andrea Stuska, responded by further explaining the benefits of CPI protection to certain segments of Canadian consumers and the positive views that CPI protection had received in the recent CAFII-commissioned independent consumer research carried out by Pollara Strategic Insights.

There was a discussion around the recent 2023 implementation of New Brunswick's new Restricted Insurance Representative (RIR) licensing regime, with Keith Martin noting that the industry felt that many of the issues raised by CAFII and other industry stakeholders during FCNB's consultation process were not actually acted upon.

Brendan Wycks noted that CAFII had lingering concerns about the Section 46 requirement in FCNB's Rule INS-001 that RIR licenses must suggest to consumers who have opted to become enrolled in CPI coverage that they may wish to seek advice from a licensed insurance agent, and he asked if FCNB would be interested in receiving a written submission from CAFII with some suggested alternate wording, along with its perspectives on some other issues related to the RIR regime. Ms. Mazerolle said she would welcome such input from CAFII in writing.

After the formal meeting was concluded and Angela Mazerolle had departed for an immediately ensuing meeting, several of the other FCNB staff executives present remained behind to engage in informal conversation with the CAFII delegation members; and they appeared very interested in and receptive to the points being made in informal dialogue by the CAFII representatives. In particular, Catherine Haines, Deputy Director of Licensing, who is responsible for the RIR regime's licensing portal, said she would welcome any feedback or further input from CAFII on how to improve it.

Nova Scotia

CAFII Meets with Nova Scotia Regulatory Authorities on October 18, 2023

A delegation of seven (7) CAFII representatives travelled to Halifax, Nova Scotia, to meet in-person with relevant staff executives from the Nova Scotia's Department of Finance and Treasury Board's Insurance Division.

In attendance in-person at the meeting from CAFII were

- Michelle Costello, CUMIS/The Co-Operators;
- John Burns, Securian Canada;
- Rob Dobbins, Assurant;
- Keith Martin, CAFII;
- Brendan Wycks, CAFII;
- Shanay Smith, CAFII;
- Robyn Jennings, CAFII;

In attendance in-person at the meeting from the Nova Scotia's Department of Finance and Treasury Board's Insurance Division were

- David McCarron, Executive Director, Financial Institutions, and Superintendent of Credit Unions, Trust, and Loan companies, Insurance, and Pensions;
- Rahul Deshmukh, Deputy Superintendent of Insurance; and
- Angela MacLeod, Insurance Officer.

Summary of Meeting

Keith Martin began the meeting by informing the Nova Scotia regulators of CAFII's strategic plan to meet, in-person, with regulators every 18 months. He stressed the degree of importance which CAFII places on this and expressed gratitude to the Nova Scotia team for meeting with the CAFII team. The Nova Scotia regulators were engaged and friendly throughout the presentation.

K. Martin explained that CAFII's desire is for its website to be a place for customers to gain financial literacy and education; therefore, the website has been developed in consultation with specialists who have indicated that it needs to communicate key messages visually and

simply as the average Canadian has a short attention span. This has impacted the approach to the website, and CAFII has responded in turn with website vignettes and videos that explain various aspects of insurance in a visual and easy-to-follow manner.

Rahul Deshmukh asked K. Martin about mobile phones versus laptops and how Canadians are accessing insurance information. K. Martin responded that the findings indicate that mobile phone usage for information access is increasing every year while laptop usage is decreasing. The CAFII website is adjusting to accommodate this. CAFII consultants have advised that within 1 to 2 years, the mobile phone will surpass the laptop as the principal channel to access information and websites.

One of the biggest successes of the meeting was the conversation on harmonization. K. Martin first outlined CAFII's harmonization definition and goals, then explained that harmonization does not mean regulators relinquish their regulatory authority. K. Martin noted that BCFSa had recently adopted the *CCIR Guidance: Conduct of Insurance Business and Fair Treatment of Customers* practically word for word (with a few adjustments around the supervision of intermediaries) as its legislatively required Insurer Code of Market Conduct. This was greatly appreciated by CAFII because now its members can use the wording of the CCIR Guidance for British Columbia. Nova Scotia took the same approach, which was much appreciated by CAFII. D. McCarron added that CCIR is quite vocal about the importance of harmonization, which has prompted good discussion on the subject within the Nova Scotia team.

K. Martin asked the Nova Scotia team to share their experience of the recent Regulators Week, held from October 3-6/23 in St. John's, Newfoundland, particularly with respect to the CCIR and CISRO meetings held there. R. Deshmukh responded that CISRO and Nova Scotia had good conversations over the week, particularly on climate change. That remark prompted an exchange on the impacts of climate change on the insurance industry and claims.

D. McCarron advised that CCIR has also done a lot of work on cybersecurity guidance. K. Martin mentioned OSFI's Incident Reports Guidelines, which both BC and Nova Scotia have adopted. The CAFII team expressed their appreciation and approval of this harmonized approach.

On the issue of a decline in the CAFII poll results around complaints around claims, there was a discussion of the delays caused by doctors who are required to fill out forms. David McCarron noted that his office had been working for some months on this issue, with a particular focus on short-term disability forms that doctors needed to fill out. Rob Dobbins noted that Assurant had an active project on this very issue, and David McCarron expressed interest in any additional information and progress CAFII could share on this file.

K. Martin mentioned New Brunswick's recently launched RIR regime, and which B. Wycks asked if Nova Scotia was monitoring that development. David McCarron said they were monitoring it closely since Nova Scotia likes to harmonize with the other Atlantic Canada provinces. K. Martin then stated frankly that CAFII felt there were certain elements in New Brunswick's new RIR regime that were not harmonized well with the other such regimes existing in Canada, nor did New Brunswick address much of the industry feedback concerns expressed by CAFII and other stakeholders during the consultation period. K. Martin said that CAFII would be more than happy to talk to Nova Scotia further about New Brunswick's RIR regime and some of the concerns with certain of its features.

B. Wycks brought up FSRA's efforts to examine certain MGA firms and identify poor practices around the fair treatment of customers.

David McCarron was very interested in CAFII's findings around artificial intelligence (AI), digitization, and its implication for the regulatory environment.

The CAFII webinars were mentioned, to which A. MacLeod responded that she had attended several and found them informative. She expressed interest in the upcoming travel insurance webinar on November 22, 2023.

D. McCarron asked how open banking was, and K. Martin said that this was more of an issue for the Canadian Bankers Association, with which CAFII collaborates closely, but that CAFII was keeping a watchful eye on this file.

D. McCarron stated how relevant and interesting a presentation this was for Nova Scotia. R. Dobbins mentioned how important research is to CAFII, to which the Nova Scotia team responded that they found this work invaluable, especially as a smaller jurisdiction.

Newfoundland and Labrador

CAFII Meets with Newfoundland and Labrador Regulatory Authorities on October 19, 2023

A delegation of seven (7) CAFII representatives travelled to St. Johns, Newfoundland and Labrador to meet in person with relevant staff executives from Newfoundland and Labrador's Consumer and Financial Services Insurance Division.

In attendance in-person at the meeting from CAFII were

- Michelle Costello, CUMIS/The Co-Operators;
- John Burns, Securian Canada;
- Rob Dobbins, Assurant;
- Keith Martin, CAFII;
- Brendan Wycks, CAFII;

- Shanay Smith, CAFII;
- Robyn Jennings, CAFII.

In attendance in-person at the meeting from Newfoundland and Labrador's Consumer and Financial Services' Insurance Division were

- Jean Bishop, Director of Consumer and Financial Services Division, and Superintendent of Insurance;
- Kris Adams, Deputy Superintendent of Insurance;
- Scott Jones, Assistant Deputy Minister – Regulatory Affairs Branch - of Digital Government and Service;
- Sean Dutton, Deputy Minister of Digital Government and Service.

Summary of Meeting

K. Martin shared CAFII's membership structure and its top priorities, including the desire for its website to be a tool for financial literacy. He then moved on to mention the significant increase in regulatory initiatives in the immediate aftermath of the COVID pandemic.

K. Martin explained the difference between harmonization and alignment, stressing the importance of the former over the latter for the Canadian provincial regulatory environment. CCIR and CISRO, in CAFII's opinion, are critical to achieving harmonization objectives. K. Martin mentioned CAFII's response to CISRO in its 2023-2026 Strategic Plan regarding RIR or RIA regimes, where CAFII suggested that CISRO play a leadership role in moving different provincial regimes towards a common approach.

K. Martin asked if Newfoundland and Labrador had given any thought to adopting a Restricted Insurance Agent regime. Jean Bishop responded that they were keenly aware of the insurance industry's desire to have harmonized approaches and had no current plans to adopt such a regime. Brendan Wycks raised CAFII's concerns with the recently adopted New Brunswick RIR Licensing regime. CAFII suggested that, in its view, the most effective of these regimes is the one in place in Manitoba. Jean Bishop indicated that if Newfoundland and Labrador moved down the road of formally exploring adopting a RIA regime, there would be consultations with industry including CAFII.

The presentation then focused on digitization and artificial intelligence, with the Newfoundland and Labrador regulators suggesting that this was an area of keen interest, and one which they felt challenged to keep up with. K. Martin noted that insurance is a data-hungry industry, with underwriting in particular requiring statistical analysis, which machines are uniquely suited to carry out. Jean Bishop agreed with that assessment and said it was important that any technology developments not undermine the protection of consumers.

Jean Bishop took several minutes to recap some of the discussions that took place over regulators week, which was held from October 3-6, 2023, in Newfoundland and Labrador. She noted that among the topics discussed was the fair treatment of customers, including additional guidelines around incentive management. Other topics were around segregated funds guidance, ombudsperson services, claims processing performance, and climate change.

J. Bishop stated that Newfoundland and Labrador endorsed CCIR's *Guidance: Conduct of Insurance Business and Fair Treatment of Customers*. K. Adams brought up the province's *Principles for the Sale of Insurance* as Newfoundland and Labrador's main means of protecting consumers. John Burns suggested engaging in further consultation for the *Principles for the Sale of Insurance* document to get the language harmonized with other jurisdictions, and Jean Bishop agreed and expressed interest in continuing a conversation about this document to learn what can be amended or revised in it.

The presentation concluded with an agreement between both CAFII and Newfoundland and Labrador to engage in further discussions on harmonization and potential collaboration on the province's 2007 *Principles for the Sale of Insurance* document.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 5(e)

Strategic and Regulatory Matters - Update on November 29/23 Special-Purpose EOC and Quebec/AMF Issues Committee Meeting on the RSM Canada Study on Attrition of Spousal Insurance Policies in Quebec

Purpose of this Agenda Item—Update/Discussion

To provide an update, with an opportunity for Board discussion, on the November 29/23 Special-Purpose EOC and Quebec/AMF Issues Committee Meeting on the RSM Canada Study on Attrition of Spousal Insurance Policies in Quebec.

Background Information

Co-Executive Director Keith Martin – along with RSM Canada executives Fabricio Naranjo and Jamie Wong, who will be visitors to the Board meeting for this agenda item, to help answer Board questions -- will update the Board on the outcomes of a November 29/23 Special-Purpose EOC and Quebec/AMF Issues Committee Meeting on the RSM Canada Study on Attrition of Spousal Insurance Policies in Quebec, including any consensus position and recommendation to the Board arrived at in the meeting.

Recommendation / Direction Sought—Update/Discussion

This is an update item, with an opportunity for Board discussion.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 5(e)i

Strategic and Regulatory Matters - Update on November 29/23 Special-Purpose EOC and Quebec/AMF Issues Committee Meeting on the RSM Canada Study on Attrition of Spousal Insurance Policies in

Quebec - Possible Release of RSM Canada Study on Attrition of Spousal Insurance Policies in Quebec to the AMF

Purpose of this Agenda Item—Discussion/Approval

To seek the Board's input and approval for release to the AMF of the results report from the currently-being-completed RSM Canada Study on Attrition of Spousal Insurance Policies in Quebec.

Background Information

Chair Peter Thompson and Co-Executive Director Keith Martin will facilitate a Board discussion and seek the Board's input and approval for release to the AMF of the results report from the currently-being-completed RSM Canada Study on Attrition of Spousal Insurance Policies in Quebec, taking into account the outcomes of a November 29/23 Special-Purpose EOC and Quebec/AMF Issues Committee Meeting on the RSM Canada Study on Attrition of Spousal Insurance Policies in Quebec.

Recommendation / Direction Sought—Discussion/Approval

This is a Board discussion and approval item.

Attachments Included with this Agenda Item

No attachments in Consolidated Board Meeting Materials Package, to be disseminated on November 28/23.

However, the results report from the currently-being-completed RSM Canada Study on Attrition of Spousal Insurance Policies in Quebec will be distributed separately, prior to the December 5/23 Board meeting.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 5(f)

Strategic and Regulatory Matters - Next Steps in Completed CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments

Purpose of this Agenda Item—Update/Discussion

To provide an update, with an opportunity for Board discussion, on next steps planned for the recently Completed CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments.

Background Information

Co-Executive Director Keith Martin will provide an update on next steps planned for the recently Completed CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments; and Chair Peter Thompson will then facilitate a brief Board discussion on this matter.

Recommendation / Direction Sought—Update/Discussion

This is an update item, with an opportunity for Board discussion.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 5(g)

Strategic and Regulatory Matters - Introduction of CAFII's New Media Consultant, Wendy Bairos

Purpose of this Agenda Item—Update

To introduce CAFII's new Media Consultant, Wendy Bairos, who will attend the meeting as a visitor for this particular agenda item.

Background Information

Co-Executive Director Keith Martin will introduce CAFII's new Media Consultant, Wendy Bairos, to the Board, and a brief opportunity for an introductory, get acquainted discussion will follow.

Recommendation / Direction Sought—Update

This is an update and discussion item.

Attachments Included with this Agenda Item

One (1) attachment.

Welcoming Wendy Bairos

Keith Martin <Keith.Martin@cafii.com>

Fri 2023-10-20 11:27 AM

To: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>; Troy Woodland <Troy.Woodland@cafii.com>; Buni Mba <Buni@managingmatters.com>; Meighan Pears <events@cafii.com>; Ricky Nason <Ricky.Nason@cafii.com>

Everyone—please welcome Wendy Bairos as our new media consultant. I will introduce her to you virtually, meantime we should include her in the communications on website and strategic communications issues.

Wendy is preparing a news release for the appointment of Paul Cosgrove as our new Vice Chair, and is providing advice on some changes to our website, as a first set of inputs from her.

Wendy, we all look forward to working with you!

--Keith

Wendy Bairos Bio

Wendy Bairos is a highly accomplished communications specialist and exceptional team leader with over 20 years of outstanding experience. Her career has thrived in one of the most dynamic and rapidly changing industries, including 12 years at Google, where she played a pivotal role in shaping the tech narrative in Canada since 2003. Wendy possesses an innate understanding of what truly drives conversations. Her winning formula revolves around finding a common thread, establishing genuine connections with clients' desired audiences, and creating meaningful engagement that consistently delivers successful business results. Throughout her tenure as a PR professional for Google, Hubba, and top-tier agency clients, Wendy has partnered with CEOs, executives, and startups, driving the growth of their professional and corporate/consumer brands across North America. Her expertise spans a wide range of industries, including technology, non-profits, entertainment, small business, and finance. Some notable clients she has supported include Girls Who Code, [CanadaHelps.org](https://canadahelps.org), LowestRates, Hubba, RBC, TedXToronto, Perpetua, dapphaus, among others. In addition to her professional accomplishments, Wendy is dedicated to mentoring young professionals and startups, leveraging her expertise to help guide their careers and achieve success through effective communication strategies. With her exceptional storytelling abilities and talent for inspiring others, Wendy is poised to make a profound impact on any prospective client looking to elevate their brand and drive meaningful engagement.

Keith Martin

Co-Executive Director / Co-Directeur général
 Canadian Association of Financial Institutions in Insurance
 L'association canadienne des institutions financières en assurance
keith.martin@cafii.com
 T: 647.460.7725
www.cafii.com
[Visit the CAFII LinkedIn Page](#)



Making Insurance Simple and Accessible for Canadians
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Briefing Note

**CAFII Board Meeting, 5 December, 2023—Agenda Item 5(h)
Strategic and Regulatory Matters - Plans for December 5/23, 5:30 to 7:30 p.m. CAFII Year-End/Holiday
Season Reception, Immediately Following This Board Meeting**

Purpose of this Agenda Item—Update

To update the Board on CAFII's plans for the December 5/23, 5:30 to 7:30 p.m. CAFII Year-End/Holiday Season Reception, which will immediately follow this Board meeting.

Background Information

Operations Manager Shanay Smith will update the Board on plans for December 5/23, 5:30 to 7:30 p.m. CAFII Year-End/Holiday Season Reception, which will immediately follow this meeting.

Recommendation / Direction Sought—Update

This is an update-only item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 6(a)

Read Only Items - Final Version of CISRO 2023 to 2026 Strategic Plan (Released on October 3/23)

Purpose of this Agenda Item—Read Only

To share with the Board the Final Version of CISRO's 2023 to 2026 Strategic Plan (Released on October 3/23).

Background Information

The Final Version of CISRO's 2023 to 2026 Strategic Plan was released on October 3/23.

Recommendation / Direction Sought—Read Only

No action required.

Attachments Included with this Agenda Item

Two (2) attachments.



Final Version of CISRO 2023 – 2026 Strategic Plan (Released on October 3/23)

From: CISRO-OCRA <CISRO-OCRA@fsrao.ca>

Sent: Tuesday, October 3, 2023 2:15 PM

Subject: CISRO Strategic Plan 2023-2026

Hello,

We are pleased to announce the final publishing of the [Canadian Insurance Services Regulatory Organizations \(CISRO\) 2023 to 2026 Strategic Plan](#). As a key stakeholder, we thank you for your participation in CISRO's strategic planning process. Stakeholder feedback not only informed current and planned initiatives, but also provided the basis for substantive member discussions related to important topics such as industry and regulatory preparedness for natural catastrophes.

We received strong positive feedback regarding CISRO's engagement with the Canadian Council of Insurance Regulators (CCIR). While CISRO has had a long history of working closely with CCIR, CISRO has prioritized strengthening of our participation on key files, particularly when alignment contributes to regulatory efficiency and effectiveness, while promoting the fair treatment of customers.

Stakeholders also expressed appreciation for industry stakeholder consultation and an expressed desire for future engagement. CISRO remains committed to ongoing stakeholder engagement throughout the strategic plan period. Understanding stakeholder perspectives enhances our work together as regulators and positions us to make well-informed decisions. Stakeholders can expect future opportunities to share perspectives as we advance our work.

We thank you again for your valuable input into the development of CISRO's 2023-2026 Strategic Plan. CISRO looks forward to continued collaboration as we undertake these important initiatives.

Regards,

Peter Burston
Chair, CISRO Strategic Planning Committee



Our History

CISRO / OCRA

In September 1989, a group of four insurance licensing authorities met and held a licensing conference in St. John, New Brunswick. With each subsequent annual licensing conference, the group expanded to include additional jurisdictions and in 1994, the group was named the Canadian Insurance Self-Regulatory Organizations (CISRO). In June 2000, the name was changed to Canadian Insurance Services Regulatory Organizations to reflect its membership as inclusive of both self-regulatory and government licensing authorities. CISRO's membership includes representation from all provinces and territories in Canada.

CISRO was established as a forum for information sharing and collaboration between regulators with responsibility for the registration or licensing and regulatory supervision of insurance intermediaries. Through CISRO, member regulators have worked collaboratively on several significant national initiatives benefiting consumers, the industry, and regulators:

Life Licence Qualification Program (LLQP)

- 2003: Development and launch of LLQP, consisting of common curriculum and qualification exam for life agents in most provinces
- 2016: Implementation of modernized LLQP, which updated and harmonized the pre-licensing life education program across the country

Canadian Insurance Regulators Disciplinary Actions (CIRDA) database

- 2013: In conjunction with the Canadian Council of Insurance Regulators (CCIR), development of a national database to centralize licensee disciplinary decisions of insurance regulators

Guidance: Conduct of Insurance Business and Fair Treatment of Customers (FTC)

- 2018: CISRO and CCIR released a joint guidance on the fair treatment of customers

MESSAGE FROM THE CHAIR



The members of the Canadian Insurance Services Regulatory Organizations (CISRO) represent every province and territory in Canada, creating an essential forum to promote consistent qualification and conduct of business standards for insurance intermediaries. On behalf of the members, it is my pleasure to present CISRO's 2023 – 2026 Strategic Plan.

The Strategic Plan reflects the key leadership role CISRO plays in the governance of the Life Licence Qualification Program (LLQP) with the objective of ensuring the program's integrity and stability for both regulators and industry stakeholders. CISRO's responsibilities include consideration of stakeholders' input, exam and program enhancement as well as expert operational management.

The Strategic Plan also reflects CISRO's close collaboration with the Canadian Council of Insurance Regulators (CCIR). Building on the joint *CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers*, CISRO has worked with CCIR to issue a statement on deferred sales charges, *Incentive Management Guidance*, and a discussion paper on upfront compensation for segregated funds. CISRO will be working closely with CCIR to finalize the Segregated Funds Guidance and other initiatives to meet the regulatory objectives of both organizations and enhance the fair treatment of customers.

CISRO remains committed to supporting the regulatory efficiency and effectiveness of its members, while maintaining a robust consumer protection environment. This includes undertaking activities to enhance CISRO's capacity to facilitate information sharing among members, meaningfully engage stakeholders and responding to risks and emerging issues confronting the sector. Information sharing may relate to regulatory objectives including consumer awareness, compliance, enforcement, or the identification of operational best practices.

On behalf of all CISRO members, I would like to thank our stakeholders for their input into the development of our 2023 -2026 Strategic Plan. We look forward to working together on these important initiatives.

Eric Jacob, Chair

CISRO

MANDATE

The Canadian Insurance Services Regulatory Organizations is a forum of Canadian regulatory authorities who are dedicated to consistent qualifications and conduct of business standards for insurance intermediaries.

VISION

Consumers across Canada are well served by competent, ethical, and professional insurance intermediaries.

MISSION

To collaborate on initiatives that support a consistent approach to consumer protection through the regulation of insurance intermediaries.

STRUCTURE

EXECUTIVE COMMITTEE **As at Spring 2023*

The CISRO operates under the direction of an Executive Committee:

Eric Jacob, Chair

Superintendent, Client Services and Distribution
Autorité des marchés financiers (QC)

Joanne Abram

Chief Executive Officer
Alberta Insurance Council (AB)

David Weir

Senior Technical Advisor
Insurance Financial and Consumer Services Commission (NB)

Wendy Horrobin

Head, Licensing and Risk Assessment
Financial Services Regulatory Authority of Ontario (ON)

MEMBERS

CISRO Members represent all Canadian provinces and territories.

CISRO SECRETARIAT

The CISRO Secretariat manages, coordinates, monitors, and reports on all CISRO projects and policy initiatives as well as facilitates CISRO activities, including strategic planning and financial governance for the CISRO.

PRIORITIES

PROMOTE CONSUMER PROTECTION THROUGH HARMONIZED APPROACHES TO THE REGULATION OF INSURANCE INTERMEDIARIES

The CISRO will promote consumer protection by identifying areas that would benefit from increased regulatory consistency, addressing emerging issues, promoting regulatory best-practices, and developing guidance on standards and expectations for industry.

STRENGTHEN REGULATORY OUTCOMES THROUGH COLLABORATION AND STAKEHOLDER ENGAGEMENT

The CISRO will engage with stakeholders through targeted consultations, industry working groups and stakeholder dialogue sessions. CISRO works collaboratively with the Canadian Council of Insurance Regulators (CCIR) and is a represented organization at the Joint Forum of Financial Market Regulators.

ENHANCE EFFECTIVENESS OF CISRO AS A FORUM FOR INFORMATION SHARING AND REGULATORY COLLABORATION

The CISRO will identify opportunities to enhance the effectiveness of the forum with respect to information sharing and regulatory collaboration between members and other regulators and regulatory associations.

STANDING COMMITTEES

LIFE LICENCE QUALIFICATION PROGRAM GOVERNANCE

This committee is responsible for the day-to-day administration of the Life Licence Qualification Program (LLQP), including responding to enquiries and concerns from participating jurisdictions, insurers, course providers and other stakeholders. It is the primary contact with the educational service provider and makes recommendations to CISRO members on strategic initiatives and course providers. This committee is overseen by all CISRO jurisdictions that use the LLQP.

GENERAL INSURANCE LICENSING QUALIFICATION REVIEW

In 2018, CISRO established the General Insurance Licensing Qualification Review (GILQR) Committee to review the licensing education requirements for general insurance agents and brokers across Canada and make recommendations regarding a harmonized approach.

MEMBERS

Insurance Council
BRITISH COLUMBIA

Yukon

alc Alberta
Insurance
Council


Government of
Northwest Territories

 **INSURANCE COUNCILS**
OF SASKATCHEWAN


Nunavut

 **INSURANCE COUNCIL**
OF MANITOBA

 **AUTORITÉ**
DES MARCHÉS
FINANCIERS

 **CHAMBRE**
DE L'ASSURANCE
DE DOMMAGES

 **Chambre**
de la sécurité
financière

FSRA
Financial Services Regulatory
Authority of Ontario

RIBO

 **FINANCIAL AND**
CONSUMER SERVICES
COMMISSION


NOVA SCOTIA

*Prince
Edward
Island*
CANADA


Newfoundland
Labrador

CISRO / OCRA

OPERATIONAL PLAN 2023-2024

Cover photo by [The Jopwell Collection](#) on [Unsplash](#)

OPERATIONAL PLAN 2023-2024

PRIORITY: PROMOTE CONSUMER PROTECTION THROUGH HARMONIZED APPROACHES TO THE REGULATION OF INSURANCE INTERMEDIARIES

Consumer Awareness

During the preceding strategic plan, CISRO completed research on consumer awareness tools and initiatives. CISRO will now undertake initiatives to increase consumer awareness and understanding of key insurance topics and issues.

LLQP

All CISRO members participate in the harmonized LLQP. The Canadian Insurance Participant Registry (CIPR) provides a single secure, self-serve service where personal information for LLQP registrants is maintained. CISRO will embark on necessary work to modernize and enhance the CIPR application, which will also help to increase security and reduce exposure to cyber risks.

GILQR

GILQR's mandate is to review the licensing education requirements for general insurance agents and brokers across Canada and make recommendations regarding a harmonized approach.

PRIORITY: STRENGTHEN REGULATORY OUTCOMES THROUGH COLLABORATION AND STAKEHOLDER ENGAGEMENT

CISRO will continue to collaborate with CCIR on important issues that affect both insurers and intermediaries. CISRO will work with CCIR to finalize a joint Segregated Funds Guidance. CISRO will also work with CCIR and key stakeholders to increase consumer awareness and understanding of the risks related to natural catastrophes and climate change, preparedness, insurance options and coverages.

PRIORITY: ENHANCE EFFECTIVENESS OF CISRO AS A FORUM FOR INFORMATION SHARING AND REGULATORY COLLABORATION

CISRO will establish an information sharing framework to enhance collaboration and cooperation on matters that involve multiple jurisdictions. As a follow up to the work undertaken during the preceding strategic plan to develop an information sharing memorandum of understanding (MOU), CISRO will also explore the use and possible enhancements to the Canadian Insurance Regulators Disciplinary Actions (CIRDA) database.

CISRO will undertake work to formalize its governance structure.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 6(b)

Read Only Items - Insurance Council of BC 2022-2023 Annual Report (Released on October 4/23)

Purpose of this Agenda Item—Read Only

To share with the Board the Insurance Council of BC's 2022-2023 Annual Report.

Background Information

The Insurance Council of BC's 2022-2023 Annual Report was released on October 4/23.

Recommendation / Direction Sought—Read Only

No action required.

Attachments Included with this Agenda Item

Two (2) attachments.



Insurance Council of BC 2022-2023 Annual Report (Released on October 4/23)

From: Galen Aker <gaker@insurancecouncilofbc.com>
Sent: Wednesday, October 4, 2023 6:39 PM
Cc: Brett Thibault <bthibault@insurancecouncilofbc.com>
Subject: Insurance Council of BC 2022-2023 Annual Report

Good afternoon,

The Insurance Council of BC has recently published it's [2022-2023 Annual Report](#), which summarizes progress on regulatory projects and priorities in the past year marking the end of our three-year strategic plan.

We want to highlight this report for your own information and please feel free to distribute to your members if you feel they might benefit from the information.

If you have any questions regarding the report please feel free to reach out to me.

Thank you,

Galen Aker (*he, him*) | Stakeholder Engagement Specialist | **Insurance Council of British Columbia**

1400-745 Thurlow Street, Vancouver, BC V6E 0C5

Direct Tel: 604-260-3447

Tel: 778-788-2537 Toll Free within Canada: 1-877-688-0321

gaker@insurancecouncilofbc.com | insurancecouncilofbc.com

Insurance Council
BRITISH COLUMBIA

Annual Report

2022 - 2023





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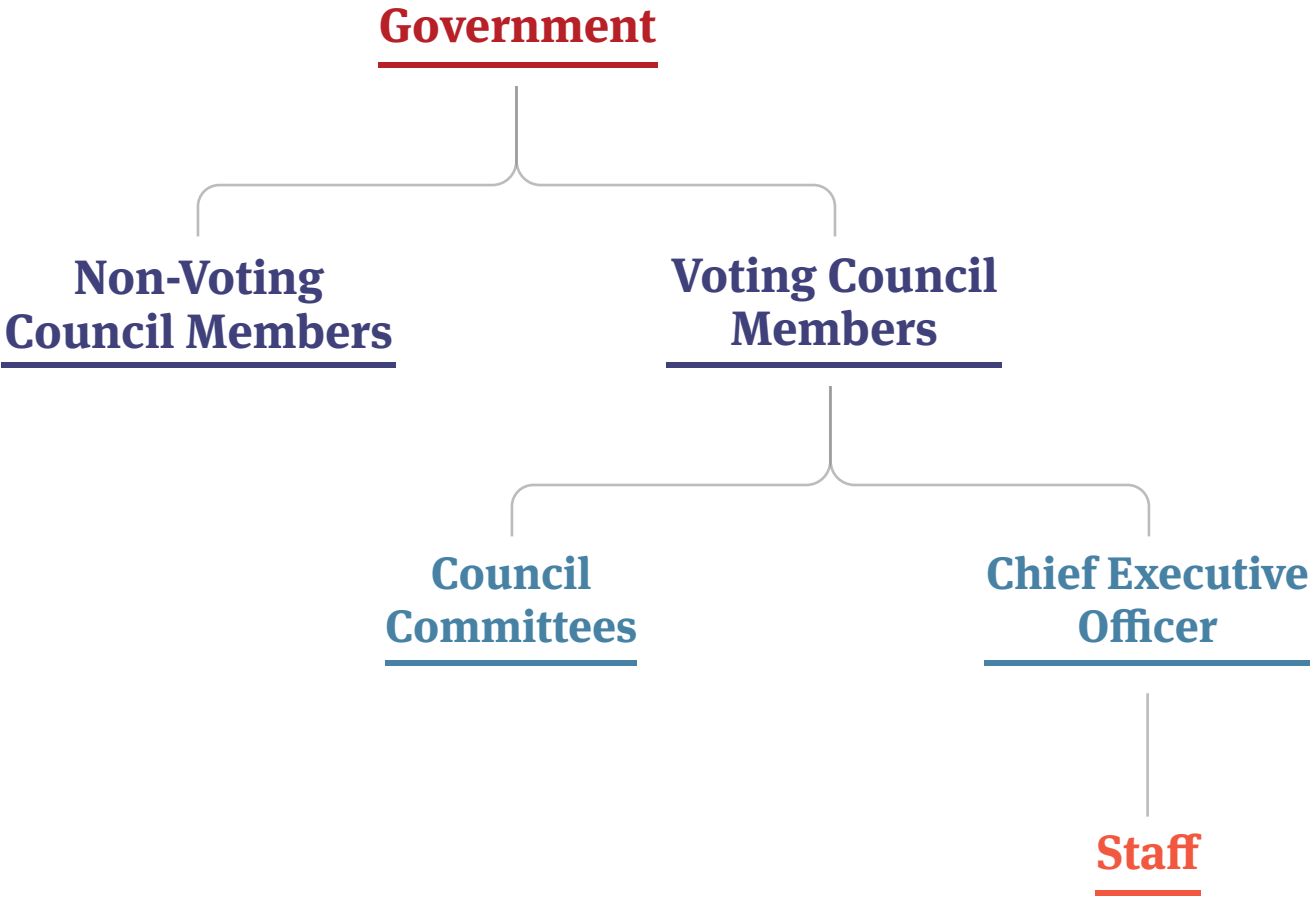
Who We Are

The Insurance Council of BC (Insurance Council) is a regulatory body established by the *Financial Institutions Act* that is accountable to the BC Ministry of Finance. Voting and non-voting members of the Insurance Council are appointed by and report to the government.

What We Do

The Insurance Council oversees the licensing and professional conduct of life, accident & sickness, and general insurance agents, salespersons, and independent adjusters. We protect the public by ensuring that licensees act ethically, with integrity and competence.

Our Governance Structure



Message from the Chair



For the last three years, the Insurance Council's strategic plan has provided a roadmap for our transition from an organization focused on more local and immediate regulatory concerns, to one more forward-looking, broader and holistic in our approach to public protection.

As we close out our strategic plan for 2020–2023, as Chair, I am delighted to highlight the progress we've made in the last year.

By positioning the Insurance Council to meet current and future regulatory needs arising from global shifts in industry and consumer trends, we can best serve the public interest and support our licensees. To that end, our work has focused on aligning regulatory practices to meet international standards; modernizing regulatory oversight to protect consumers without stifling innovation; increasing the efficiency and effectiveness of Insurance Council services; and increasing our ability to support stakeholders.

Through the Council Rules Review Initiative, we are modernizing the framework under which insurance intermediaries are regulated to ensure relevance. We brought forward rule updates in six areas including: nominee and level 3 agent qualifications, compliance with continuing education requirements, conflicts of interest in strata

insurance, clarifications for requirements for names and business registration, as well as for direct supervision requirements.

Throughout this work, engagement with our stakeholders has been a critical part of the Insurance Council's process when developing regulatory policy to ensure that our approach is practical. Informed by what we heard in consultation, we withdrew a proposed rule change, revised other proposed amendments, and conducted additional consultation.

We continued to make progress on the development of a competency framework for general insurance, identifying standardized skillsets required for licensure.

We're establishing a strong foundation for licensing qualifications that can contribute to harmonization and consistency, aligned to international standards of practice and regulation.

Enormous energy has gone into the development of a restricted licence for the sale of incidental insurance products. We've been tasked by the provincial government to put in place a licensing framework for the regulation of these insurance sales to support implementation of amendments to the *Financial Institutions Act*. Significantly, the creation of a new licence will enhance the protection of consumers purchasing these products. To date, we've worked on the development of licensing criteria, and gathered preliminary feedback on performance requirements.

Furthermore, we are committed to ensuring that we are doing the things necessary for the Insurance Council to carry out its regulatory role with stability and continuity. This has meant prioritizing cybersecurity and operational contingency planning, but also observing and enhancing governance and responsible financial management processes and risk management policies that are in place.

Finally, I want to express my appreciation to my fellow Council colleagues and staff. Public protection is a team effort—to be successful it requires meaningful contributions from diverse people across industry, professional regulation and the community. I commend the work that's been done by the team to modernize the Insurance Council's processes, policies and practices.

As the Insurance Council embarks on a new strategic plan for 2024–2026, I am confident that it is well positioned for the road that lies ahead.

- Chamkaur Cheema, Chair



Message from the CEO

As the regulatory body charged with overseeing the licensing, practice and conduct of over 50,000 BC insurance licensees in the public interest, it is crucial that the Insurance Council continually assesses and modernizes how it carries out this responsibility.

This year, we have continued our journey in enhancing regulatory oversight that protects consumers while enabling industry innovation, engaging with industry partners to understand and facilitate better consumer outcomes, and ensuring that those who need the Insurance Council's services are able to access them in an efficient, effective and fair manner.

We have been reviewing and updating our qualification requirements to ensure that those who receive a licence meet expected ethical standards and are effectively trained to practice in an insurance industry that is quickly evolving. A number of rules and policies have been amended to reduce the complexity and improve transparency of licensing processes making them easier to understand and removing unnecessary regulatory burden. Work has also been underway on the development of a restricted licence regime which will regulate the sale of specific insurance products that are incidental to a vendor's primary business.

Our practice support function continues to grow as the Insurance Council practice team responds to as many as 800 inquiries a month from licensees and consumers. These inquiries, as well as matters observed through licensee practice audits, inform the development of rules, policies, practice guidance and education courses, which support licensees to better serve their clients and meet their regulatory obligations.

Significant effort has been made this year to support licensees' understanding of and compliance with continuing education (CE) requirements through the development of a new CE accreditation program, webinars and a new rule.

These additional tools help build licensees' competence and give confidence that expected requirements are being met.

With an increasing number of licensees, we continue to see growth in the number of complaints received and the number of investigations conducted. These cases are often complex and involve conduct that has caused public harm. Efforts are ongoing to ensure a timely resolution to these cases while maintaining a fair process for all involved.

Effective regulation requires the input of many stakeholders, and we continue to have ongoing dialogue through formal and informal consultations with licensees, industry, government, other regulators and the public. These important conversations help to identify unintended consequences allowing the Insurance Council's regulatory oversight to more effectively meet its mandate of public protection. This is also a key focus of the Insurance Council's 2024–2026 strategic plan which was developed this year and took effect June 1. While much of what is in the new plan carries forward the work started with the 2020–2023 strategic plan, there is increased focus on harmonizing requirements with other Canadian jurisdictions and ensuring that our services are equitable, inclusive, and accessible by all.

The work to advance a regulatory environment that engages all only moves forward due to the industry stakeholders who willingly provide insight into improving service and regulatory practices; the dedication of our Council members who devote significant time and effort providing oversight, guidance, and support; and my staff colleagues who deliver the organization's vision every day. I am grateful to everyone for their contributions.

- Janet Sinclair, CEO



Strategic Plan

Our Vision

British Columbians have confidence in an insurance industry that meets international standards of public protection.

Our Mission

Proactive regulatory leadership that ensures qualified, competent and ethical professionals meets British Columbians' insurance needs.

Over the past three years, the work the Insurance Council has completed aimed to meet the objectives of the below four goals to address the challenges of regulating the conduct of and services provided by licensees in a dynamic insurance industry. As the 2020–2023 strategic plan comes to an end, our organization has evaluated its achievements and the insurance landscape to devise the next three-year plan to ensure it aligns with international regulatory standards and upholds public protection.

Goal 1

Effective regulatory practices and support systems that meet current and emerging international standards.

Priority

Update regulatory practices to meet the International Association of Insurance Supervisors' Insurance Core Principles and the Professional Standards Authority's Standards of Good Regulation.

Goal 2

Regulatory oversight that protects consumers and enables industry innovation.

Priority

Modernize regulatory oversight to keep pace with changes in the insurance marketplace and support/enable industry transformation.

Goal 3

Enhanced ability to support insurance consumers, licensees and government.

Priority

Build awareness of the Insurance Council's role and the services it provides to better serve consumers, licensees and government.

Goal 4

Efficient and effective access to Insurance Council services.

Priority

Drive operational effectiveness.

Goal 1

Effective regulatory practices and support systems that meet current and emerging international standards

Updating regulatory rules to meet an evolving insurance landscape

The Council Rules Review Initiative is a multi-year project to update the Insurance Council Rules to keep pace with an evolving insurance industry and align with current practices and international standards. This project is a huge undertaking and continues to be fundamental to the work that we do.

Stakeholder feedback is integral to the project. In Spring 2022, proposed changes in eight different topic areas were introduced. These updated rules provide better clarity and direction for licensees that include compliance with mandatory education for nominees, publicly transparent and proper representation of licensees and their business, and direct supervision requirements. Amendments to the initial set of changes relating to licence renewal and nominee qualifications were subject to further consultation to address licensee concerns.

These rule changes are designed to help ensure greater public protection, as well as thorough understanding and adherence to standardized practices. The final package of proposed rule amendments was later approved by the Minister of Finance with implementation dates in 2023 and 2024.

Updating procedures to ensure compliance with licensing requirements

To implement recently approved changes to Rule 4(4), updates to the annual licence renewal procedure were introduced this year that required licensees to have confirmed they met their annual continuing education (CE) and errors and omissions (E&O) insurance requirements prior to renewing their licence. Live webinars were held to support licensees in understanding their annual CE and E&O requirements and the changes in licence renewal procedure. These webinars were recorded and made available for those unable to attend the live sessions. Licensees who viewed the live or recorded sessions on CE requirements and CE guidelines during the renewal season period earned CE credit.

Accrediting courses to boost licensee assurance in taking courses that meet CE criteria

The Insurance Council launched a CE Accreditation Program in 2022, beginning by opening applications to those interested in becoming an accredited course provider, and later expanding to individual accredited courses. The program was created to support licensees by making it easier to identify courses that are eligible to meet their annual CE requirements.

Course offerings become Insurance Council-accredited through appointed evaluation committees, which include industry professionals. These accreditation committees verify applicant courses are meeting specific criteria that build professional training and knowledge for licensees. The program is designed to expand and provide an up-to-date list of accredited courses that licensees can confidently take knowing that they meet technical and practice requirements outlined in the Insurance Council’s CE Guidelines.

Developing education tools to enhance knowledge of management responsibilities

To support the implementation of the updated Insurance Council Rule related to nominee qualifications, we developed a new course to clarify the existing responsibilities of a nominee, introducing standardized training. This new course, which will be delivered in two streams (general insurance and adjusters; life and accident & sickness (A&S) insurance), is a prerequisite for individuals seeking appointment as a nominee at an agency or firm, and nominees seeking appointment to a different agency.

All new nominee appointments are required to complete the course starting in August 2023, and existing nominees can opt to take the course for CE credit and refresh their knowledge of their role as a nominee.



Goal 2

Regulatory oversight that protects consumers and enables industry innovation

Developing a restricted insurance licensing regime

In 2019, the Province introduced amendments to the *Financial Institutions Act* to enable a restricted insurance licence framework in BC—this will apply to organizations that sell incidental insurance products. In response, we are working on a restricted licensing regime that will include the development of a competency framework and licensing requirements. We are currently engaging with key regulatory and industry stakeholders to gain their unique perspective to support the development of this new regime.

Creating standardized skills for entering the insurance industry

The growing insurance industry plays an impactful role in the lives of British Columbians and it is increasingly important to modernize professional standards to enter the industry. The Insurance Council has taken on the task of developing entry-level qualification standards for licensure and has completed base competencies for level 1 general insurance salespersons. Work on harmonizing these standards with other Canadian jurisdictions continues. Ensuring new insurance licensees have a standardized base-level skillset will increase public protection and confidence in the industry. Launch and implementation of the general insurance competency framework in BC is anticipated in late 2025.

Maintaining the quality of LLQP exams

In response to the COVID-19 pandemic, the Insurance Council quickly moved to administer the Life Licence Qualification Program (LLQP) exams online to minimize disruption. With the State of Emergency lifted and COVID-19 no longer classified as a global pandemic, we reevaluated the quality of the online examination process and made the decision to return to administering all LLQP exams in-person. The conclusion was made with the goal of ensuring the security and integrity of the examination process. Following the discontinuation of offering LLQP exams online, we will be adding more in-person exam locations within BC to increase accessibility.



Combatting financial crime through partnering in anti-money laundering initiatives

We continue to be vigilant in recognizing ways insurance transactions may be used in criminal activities. This fiscal year, the Cullen Commission, an inquiry into money laundering in BC, issued their final report with recommendations we have been considering and working with government to implement. We are also continuing work as an associate partner in the RCMP-led Counter Illicit Finance Alliance of British Columbia. The partnership allows us to draw upon the expertise of each member agency, and facilitates the flow of timely, relevant and high-quality information to help respond to issues and make money laundering more difficult.

Advancement of technology in the insurance industry

Technological innovation is rapidly changing the way consumers interact with insurance products and the Insurance Council is working to understand these changes to ensure consumers are adequately protected. We are researching the usage of InsurTech in BC compared to global trends, as well as consulting with industry representatives. The aim of our work is to ensure the Insurance Council strikes the appropriate balance, applying regulation without stifling innovation within the industry.



Goal 3 **Enhanced ability to support insurance consumers, licensees and government**

Building strong partnerships to protect the public interest

Communication and engagement with stakeholders are key priorities for the Insurance Council as a means to ensure the development of effective regulation and support building strong working relationships. Stakeholder feedback has been sought and considered on major initiatives, such as the new restricted licensing regime, level 1 general insurance competency framework, amendments to Council Rules, and licensees' communication preferences. Engaging with our stakeholders is integral as the work that we do affects licensees, the public, other regulators and partners, and we require their input to consider regulation that is fair while putting consumer protection at the forefront.

Working with government on emerging issues and ensuring regulatory alignment

Building strong relationships with government is important to the Insurance Council to address key and emerging issues in the insurance industry in BC, as well as working in tandem to respond to emergency situations arising from natural disasters that have become our new reality. The Insurance Council regularly meets with government officials to discuss shared interests in enforcement, emergency management, and effective regulation. We work with government to align our regulatory practices with the *Financial Institutions Act* and seek approval for updates to the Insurance Council Rules.

Collaboration to support effective insurance regulation

Collaboration with other regulatory bodies allows us to draw upon the experience of our regulatory counterparts. The Insurance Council is an active member of the Canadian Insurance Services Regulatory Organizations (CISRO) and has engaged with our regulatory colleagues on topics such as the development of general insurance licensing requirements, LLQP exam integrity, segregated funds compensation, life insurance replacement disclosure, up-front compensation in the life insurance industry, as well as participating in the CISRO Consumer Awareness Working Group, who coordinates strategic national efforts to raise consumer awareness of insurance issues.

Insurance Council staff regularly engage with other provincial agencies (e.g., BCFS, ICBC) to collaborate on matters of common interest. This includes input on changes to the insurance marketplace, best terms pricing and researching emerging trends in insurance distribution.

Goal 4

Efficient and effective access to the Insurance Council’s services

Effective operations that support regulatory functions

It is our responsibility to ensure the business operations that support and enable our regulatory work are efficient, forward-looking and financially sustainable.

In the preceding years of this strategic plan, we built a long-term financial plan and completed a comprehensive records management process review. In this final year, we continued our work on business resilience and contingency planning, and carried out major work on technology service improvements.

What we’ve accomplished during the last year demonstrates our commitment to meeting the standards of operation that the public and licensees expect of us.

Planning for business resilience and cyber risk

To better consider risks and recovery activities relevant to us, we updated our business continuity plan to reflect the Insurance Council’s hybrid work environment.

Cybersecurity has also been a priority, and in the last year we have carried out testing and remediation activities to assess and address potential vulnerabilities in our IT systems. Protocols for responding to cyber incidents were fully implemented and a cyber security awareness training program for the organization was launched.

Technology improvements to licensing services

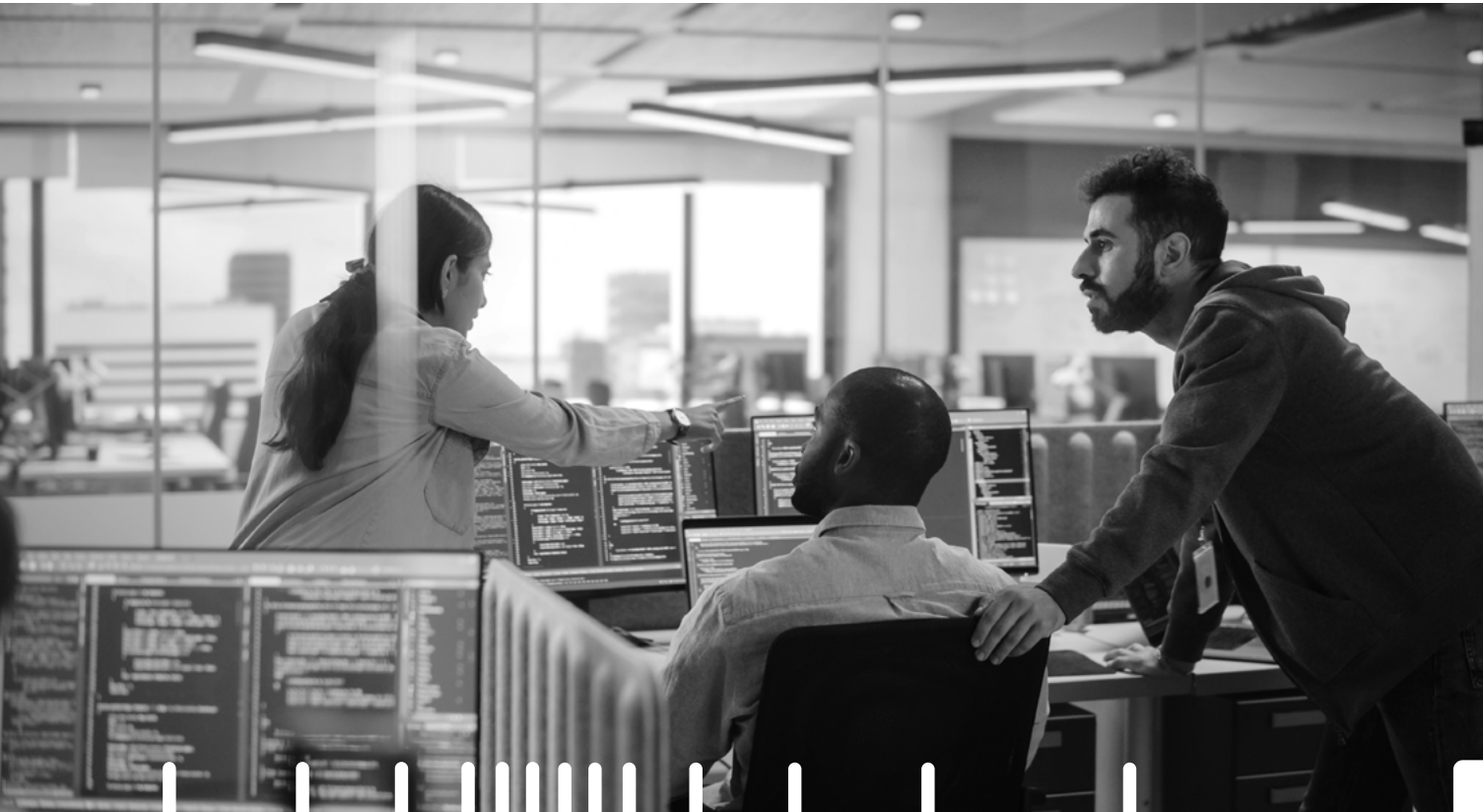
We have undertaken significant work to develop web-based tools and functionality that make it easier to access Insurance Council services.

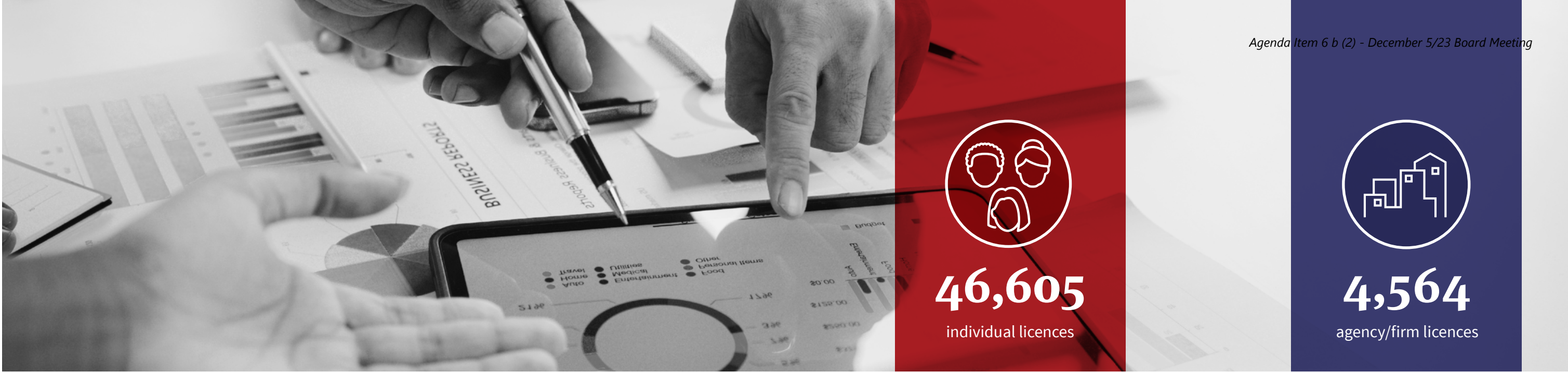
To increase the efficiency of licensing processes and to enable easier access to licensing services, we rolled out a number of improvements and features in the Insurance Council’s online portal. This included the creation of a licence summary for use by licensees, functionality for online application for trainee registrations, functionality to allow applicants

to respond to outstanding requirements directly through the online portal, as well as the ability to future date changes to authority to represent (ATR). Further improvements being released soon include functionality to allow licensees to initiate licence amendments, changes to name or nominees, changes to supervision, and resignations.

Renewing our technology infrastructure

Work progressed on a major multi-year project, the Digital Transformation Project, which will involve the eventual transition from the current licensee database to a new platform that can more effectively support the Insurance Council’s technology ecosystem. This project’s work on process analysis and future state visioning has concluded, and selection of the new platform is now in progress.

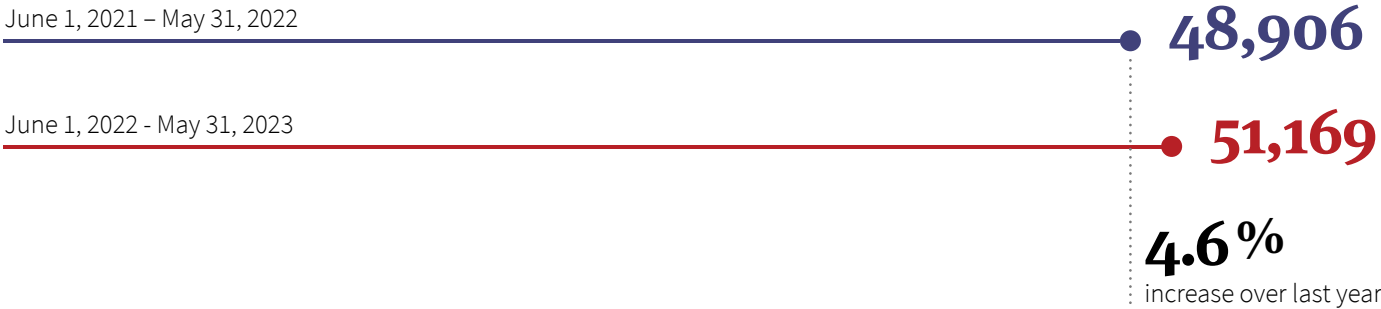




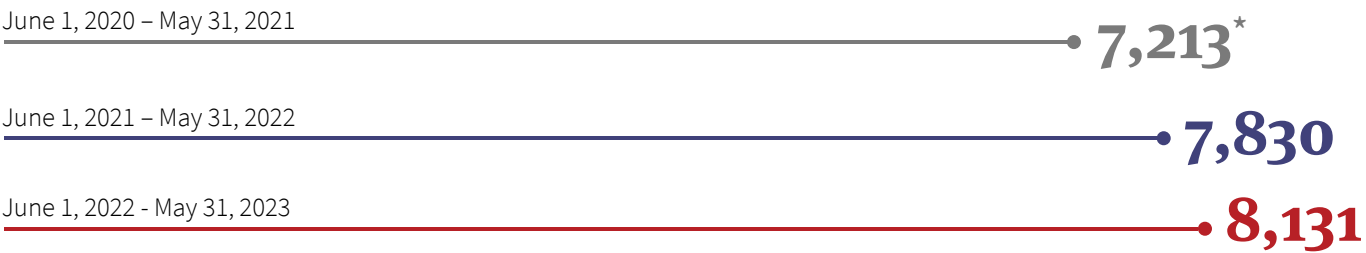
Insurance Council by the Numbers

Licensing

Total Licensees



Licence Applications



*includes approximately 200 applications for restricted licences, of which issuance was suspended

Life and Accident & Sickness

22,770	Active
1,487	Inactive
3	Suspended

Accident & Sickness

474	Active
51	Inactive
0	Suspended

General

18,799	Active
2,020	Inactive
4	Suspended

Adjuster

909	Active
88	Inactive
0	Suspended

Life and Accident & Sickness Agencies

3,163	Active
11	Suspended

Accident & Sickness Agencies

24	Active
0	Suspended

General Agencies

1,010	Active
1	Suspended

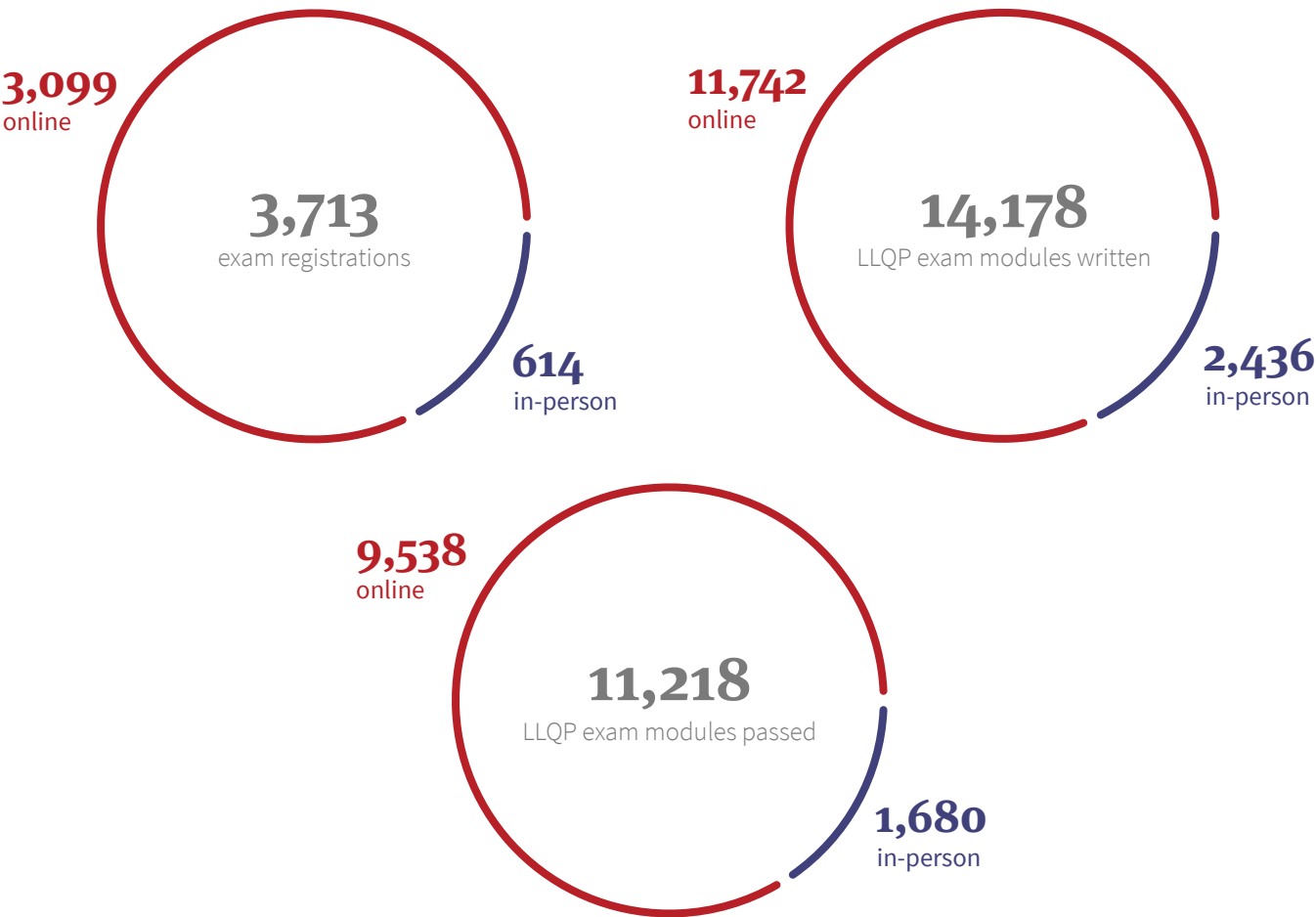
Adjusting Firms

73	Active
1	Suspended

Restricted Travel Agencies/Sole-proprietors

281	Active
0	Suspended

LLQP Exams



Webinars



Courses

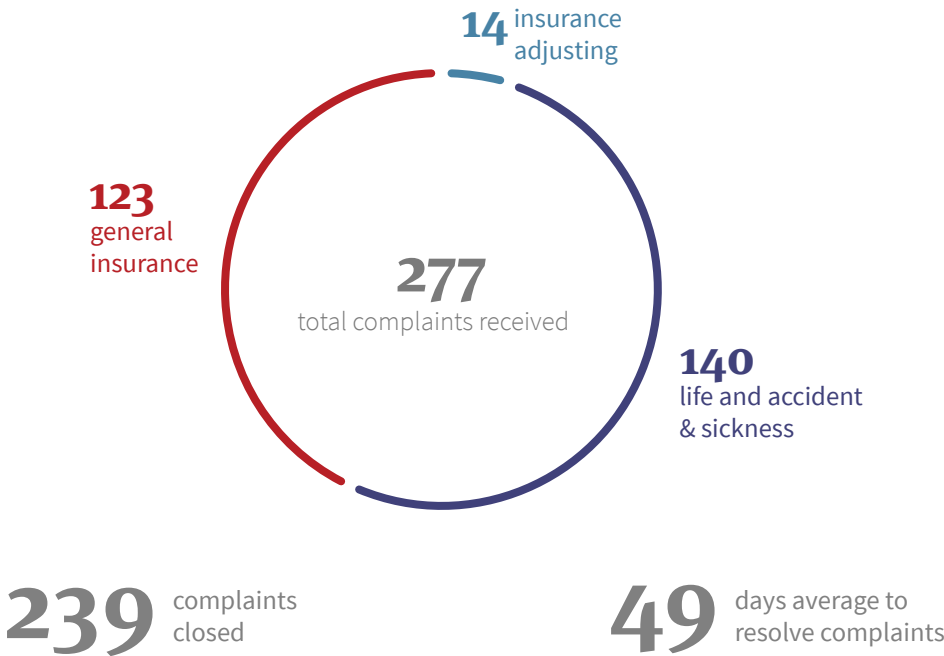
Council Rules Course Registrations



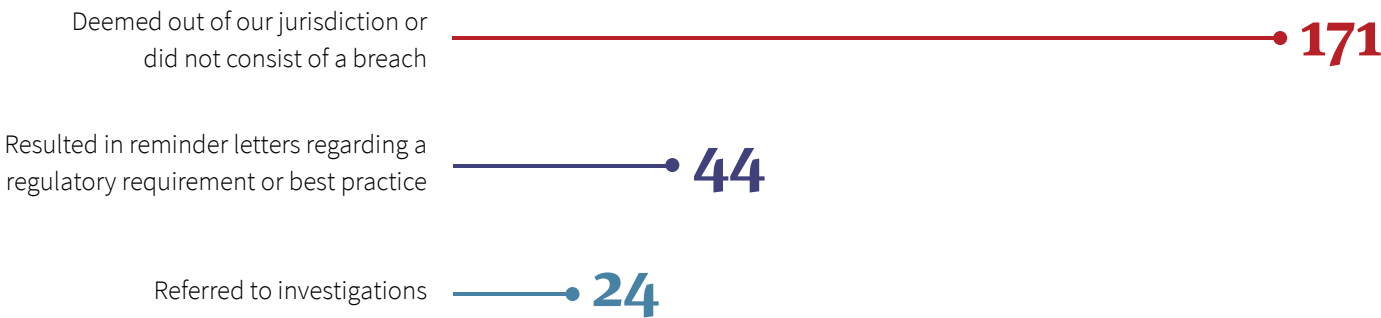
Complaints

June 1, 2022 – May 31, 2023

Complaints by Business Practice

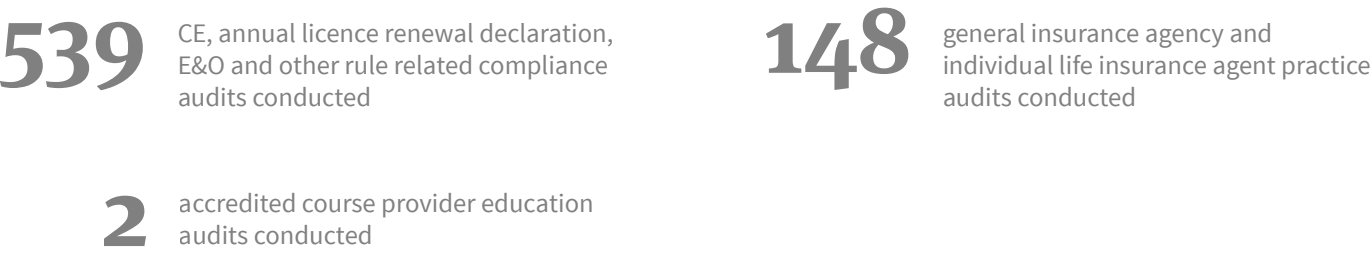


Reasons for complaint closure



Audits

To ensure licensees are in compliance, the Insurance Council audits and verifies licensees’ understanding and compliance with their licence and practice requirements. Compliance audits verify a licensee is meeting regulatory requirements such as their continuing education (CE) requirements, errors & omissions (E&O) insurance requirements, annual licence renewal declarations or other licensing requirements. The Practice Audit Program aims to support licensees by proactively reviewing licensee practices, addressing potential issues before complaints are received and providing feedback and practice guidance so licensees can ensure they are meeting their requirements.



Investigation and Discipline

June 1, 2022 – May 31, 2023

Top trends in complaints resulting in disciplinary action

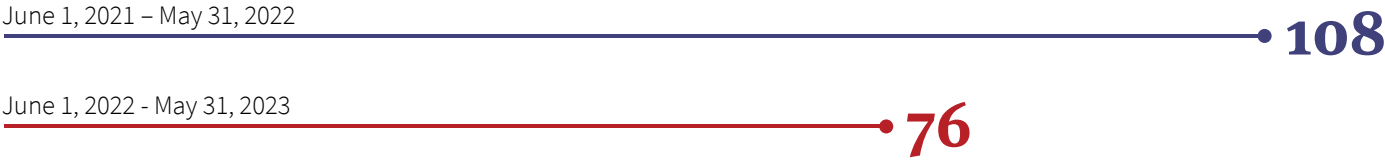
- Breaches related to information management, which includes failure to safeguard information
- Unsuitable recommendations by agents
- Fraudulent transactions



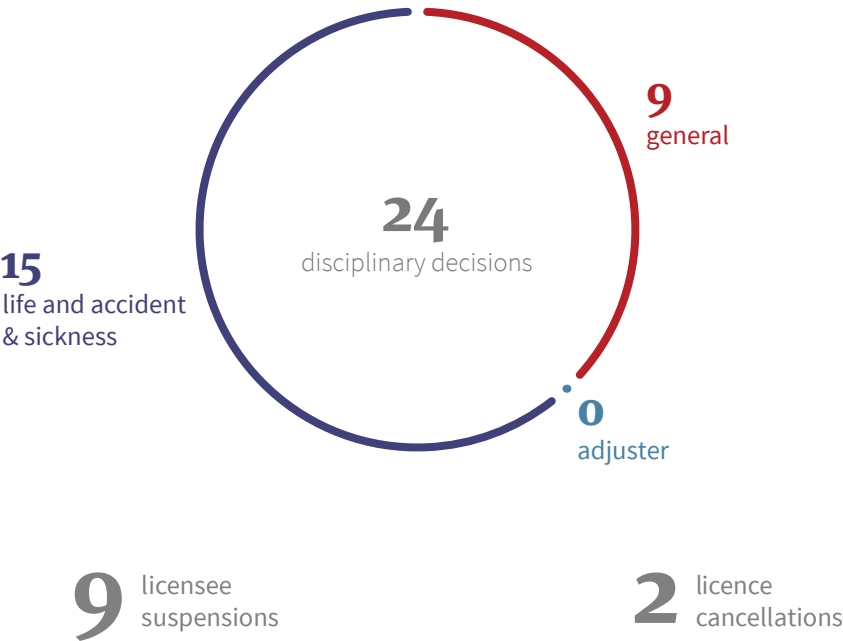
New Investigations Opened

June 1, 2021 – May 31, 2022

June 1, 2022 - May 31, 2023



Disciplinary Decisions



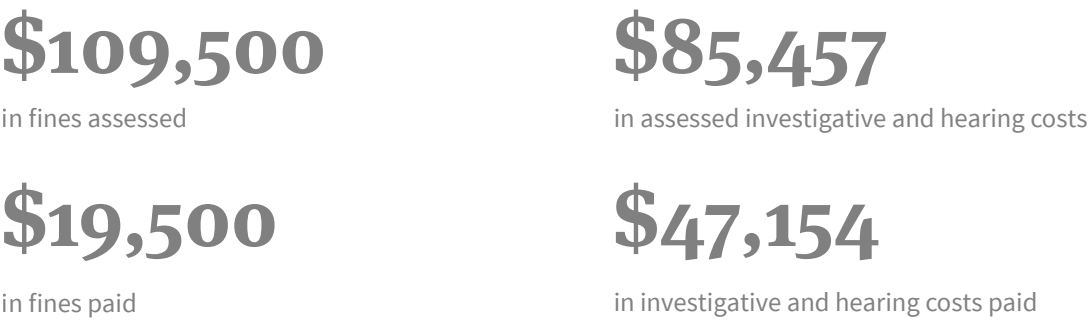
Hearing and Appeals

Licensees may request a hearing to dispute all or part of an intended decision/disciplinary action. If a licensee disagrees with the Insurance Council’s final decision as a result of a hearing, they can appeal to the Financial Services Tribunal, an impartial body that provides an independent appeal process.



Fines

A new policy was implemented in 2023 that provides guidance on effective recovery of fines and costs owed to the Insurance Council that may also include external services for collection along with an internal recovery plan.



Financial Review

The Insurance Council's financial position continued to be stable as of the 2023 fiscal year end. The current revenue stream, mainly from annual licence renewal and application fees, was sufficient to support operations as the organization continues to grow to achieve its strategic goals and mandate. With prudent spending, the Insurance Council continues to build its reserves to allocate resources for various major initiatives such as the Digital Transformation Project.

The audited financial statements for the fiscal year ending May 31, 2023, include the Insurance Council's financial position, statement of operations, statement of changes in net assets and statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The preparation of the financial statements is the responsibility of management and is overseen by the Finance and Audit Committee. These statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The Insurance Council's June 1, 2022-May 31, 2023 financial statements have been audited by the independent firm Smythe LLP and are available on our website:

insurancecouncilofbc.com/annualreport.





1400-745 Thurlow Street, Vancouver, BC V6E 0C5
insurancecouncilofbc.com

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 6(c)

Read Only Items - Plans for CAFII Presentation to FCAC in Q1 2024 in Ottawa

Purpose of this Agenda Item—Read Only

To inform the Board of CAFII's plans to make a presentation to CAFII-relevant Financial Consumer Agency of Canada (FCAC) staff executives in Q1 2024 at its head office in Ottawa.

Background Information

The EOC strongly supported CAFII reaching out to the FCAC to request an in-person meeting in Q1 2024 in Ottawa, at which CAFII can make a presentation to the FCAC and engage in dialogue with FCAC executives on key regulatory issues as well as trends in the marketplace.

Recommendation / Direction Sought—Read Only

No action required.

Attachments Included with this Agenda Item

No attachments – *Briefing Note Only*.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 6(d)

Read Only Items - Insights Gained from CAFII October 26/23 Webinar on “Words Matter”

Purpose of this Agenda Item—Read Only

To share with the Board the Insights Gained from the CAFII October 26/23 Webinar on “Words Matter”.

Background Information

CAFII held an October 26/23 webinar on “Words Matter”.

Recommendation / Direction Sought—Read Only

No action required.

Attachments Included with this Agenda Item

One (1) attachment.

Agenda Item 6 d (1)
December 5/23 Board Meeting

CAFII's and Managing Matters' Webinar Words Matter by Elissa Gurman

On October 26, 2023, CAFII hosted a webinar on inclusive language in the workspace titled *Words Matter*. The webinar was led by Elissa Gurman, who is a principal at [MacPhie Consulting](#) (a management consultant company). She specializes in organizational development, strategic facilitation, and inclusive communication. E. Gurman earned a Ph.D. degree from the University of Toronto and a Diversity, Equity, and Inclusion certificate from Cornell University.

Co-Executive Director Keith Martin began the webinar with an acknowledgment of those in attendance. In addition to the many representatives from CAFII's 15 member companies and nine associates, in attendance from allied industry associations were:

- The Canadian Life and Health Insurance Association (CHLIA);
- The Travel and Health Insurance Association (THiA);
- The Canadian Banker Association (CBA);
- British Columbia Financial Services Authority (BCFSA);
- Insurance Counsel of British Columbia;
- Alberta Treasury Board and Finance (ATBF)
- The Insurance Counsels of Saskatchewan (ICS); and,
- The Financial Services Regulatory Authority of Ontario (FSRA).

This *Words Matter* webinar is a part of a larger course offered through [MacPhie](#) on inclusive language. E. Gurman began her presentation by discussing the importance of language in the workspace, including the necessity of proper definitions of certain buzzwords – diversity, equity, and inclusion, or DEI. What do these terms mean?

Diversity means, simply, difference. It means both visible and invisible dimensions that result in individual and communal differences in our working habits and workplace experiences. **Equity** means a recognition of individual and/or group differences that may result in barriers within the workplace and society at large. Many confuse equity with equality, but they are not the same. Equality means we all have the same outcomes and are working towards one common goal; equity means working towards fair outcomes for people or groups by treating them in ways that address their unique barriers. **Inclusion** is a feeling. Where diversity acknowledges our differences, equity responds to these differences in a way that allows all employees to thrive; inclusion is the thriving in which all employees feel they can succeed. Inclusion is what allows for diversity and equity to find expression and permanence.

Understanding DEI leads us to inclusive language. The goal of inclusive language is to help others feel seen and respected. It is an ever-evolving practice since language is continuously changing. To practice inclusive language is to always be mindful and open to changing our language habits to be empathetic to others.

There is a lot of fear around inclusive language. This speaks to cancel culture, which turns inclusive language into a conversation about personal discomfort rather than the feelings of those around us.

Agenda Item 6 d (1)
December 5/23 Board Meeting

Therefore, inclusive language asks that, instead of only worrying about ourselves as the interlocutor, we must think about our listeners.

E. Gurman went on to give some key rules of conduct or pointers for a few specific categories:

- **Disability & Illness:** Use people-first language. This means putting people-first language to empower rather than limit someone to their disability and/or illness. An example is *survivor* versus *victim*; one implies strength and perseverance, while the other implies something done to someone.
- **Race & Culture:** Be specific. If you are going to talk about someone's race or ethnicity, be specific. For example, when writing about people of Asian ancestry, say if they are Chinese, for example, or Malaysian. Another example is the use of the words African American. African America is not always interchangeable with Black and has been misused as an umbrella term for people of African ancestry worldwide, obscuring other ethnicities or nationalities.
- **Gender & Sexuality:** Remember that not everyone is a straight, cisgender man. English, like other languages, assumes the norm is straight and male; therefore, we should cater our workplace language habits towards more gender-neutral wording. Instead of using *he* as the default pronoun, use *they* or *them*. Instead of saying sexual preference, say sexual orientation; one implies choice, while the other implies nature.

The aforementioned rules and their examples are just a few of the many that E. Gurman provided for each of the above categories. She also provided historical and societal insights into each to contextualize many of the words, idioms, expressions, and habits we use or have that are rooted in an offensive history. For more information, please check out [E. Gurman's comprehensive course on Inclusive Language](#).

Before concluding the webinar, E. Gurman mentioned two more important points for inclusive language, which were:

- Be direct – avoid idioms and expressions that may be rooted in discrimination and bias.
- Consult with, respect, and defer to people with lived experiences. When someone tells you of their lived experience, listen to them.

There were many questions posed during the webinar. One person asked when it is appropriate or necessary to “call someone out” for using an outdated or outright offensive term. She suggested using your judgment; if the term is a slur, then calling this out immediately is right and necessary; however, it is up to your discretion to call out an idiom or expression that could be offensive. One such example is someone using a term like “grandfather;” often, people do not know the racist history behind this word and, therefore, do not intend it to be racist. It is up to your judgment (and dependent on your relationship with the individual) to gauge if, when, or how you want to let them know that that term is offensive. If you yourself are called out for using an offensive term, listen and be appreciative. Though it

Agenda Item 6 d (1)
December 5/23 Board Meeting

may feel like an attack or be embarrassing, it is not; this is a learning opportunity and a way to show your commitment to DEI.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 6(e)

Read Only Items - Responses Received from Atlantic Canada Insurance Regulators and Policy-Makers to CAFII Dissemination of Physical Copy of its 2023 Research Results-Focused Presentation Deck (Utilized in 2023 Atlantic Canada Tour Visits)

Purpose of this Agenda Item—Read Only

To share with the Board the Responses Received from Atlantic Canada Insurance Regulators and Policy-Makers to CAFII Dissemination of Physical Copy of its 2023 Research Results-Focused Presentation Deck (Utilized in 2023 Atlantic Canada Tour Visits).

Background Information

CAFII made 2023 regulatory tour visits to insurance regulators and policy-makers in the four Atlantic Canada provinces in September and October 2023.

Recommendation / Direction Sought—Read Only

No action required.

Attachments Included with this Agenda Item

One (1) attachment.


CAFII Regulatory Presentation to Nova Scotia

Keith Martin <Keith.Martin@cafii.com>

Mon 2023-10-30 10:19 AM

To: McCarron, David <David.McCarron@novascotia.ca>; Deshmukh, Rahul P <Rahul.Deshmukh@novascotia.ca>; MacLeod, Angela L <Angela.MacLeod@novascotia.ca>

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

 1 attachments (9 MB)

CAFII Presentation Atlantic Tour Nova Scotia October 2023 FINAL.pptx;

Hello David, Rahul, and Angela,

On behalf of Brendan, myself, our CAFII colleagues, and the CAFII member company representatives in our delegation, thank you for meeting with us on October 18, 2023. We found the opportunity to share our presentation, hear your thoughts, and engage in a mutually beneficial dialogue to be extremely valuable and worthwhile.

As promised, I am pleased at this time to provide you with a copy of the Powerpoint deck we presented during our meeting.

As noted during the meeting, there are some parts of this CAFII Powerpoint that require contextual background and explanation, so please do not hesitate to reach out to me if you have any questions.

In addition, I would be pleased to present the deck again to any members of your policy-maker/regulatory Authority, if there is interest in that CAFII offer.

Our Association does request, however, that you only share the presentation internally, with those within your organization.

Thank you again, and we look forward to keeping in touch. If any of you are ever in Toronto, please do reach out to me as I would be delighted to have you as my guest over lunch.

--Keith

Keith Martin

Co-Executive Director / Co-Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

keith.martin@cafii.com

T: 647.460.7725

www.cafii.com

[Visit the CAFII LinkedIn Page](#)



Making Insurance Simple and Accessible for Canadians

Rendre l'assurance simple et accessible pour les Canadiens

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RE: Follow up from CAFII regarding Presentation to PEI

Lauren Keefe-Hogan <lkeefehogan@gov.pe.ca>

Mon 2023-10-30 10:35 AM

To: Keith Martin <Keith.Martin@cafii.com>; Robert Bradley <RABRADLEY@gov.pe.ca>; Curtis Toombs <catoombs@gov.pe.ca>
Cc: Steve Dowling <SDDOWLING@gov.pe.ca>; Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

Hi Keith,

Thank you for forwarding the presentation. It was nice to meet you all. Hope you enjoyed the rest of your stay in PEI.

Regards,
Lauren

Lauren Keefe Hogan

Registry and Licensing Counsel
Manager, Registry and Licensing Services
Financial and Consumer Services Division
Office: 902-368-5653
Cell: 902-218-1389
Email: lkeefehogan@gov.pe.ca

Justice and Public Safety
Government of Prince Edward Island
1st Floor, Shaw Building (North Entrance)
105 Rochford Street
PO Box 2000
Charlottetown, PE C1A 7N8
www.PrinceEdwardIsland.ca

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

Sent: Monday, October 30, 2023 11:18 AM

To: Robert Bradley <RABRADLEY@gov.pe.ca>; Lauren Keefe-Hogan <lkeefehogan@gov.pe.ca>; Curtis Toombs <catoombs@gov.pe.ca>

Cc: Steve Dowling <SDDOWLING@gov.pe.ca>; Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

Subject: Follow up from CAFII regarding Presentation to PEI

Hello Robert, Lauren, and Curtis,

On behalf of Brendan, myself, our CAFII colleagues, and the CAFII member company representatives in our delegation, thank you for meeting with us on September 21, 2023. We found the opportunity to share our presentation, hear your thoughts, and engage in a mutually beneficial dialogue to be extremely valuable and worthwhile.

As promised, I am pleased at this time to provide you with a copy of the Powerpoint deck we presented during our meeting.

As noted during the meeting, there are some parts of this CAFII Powerpoint that require contextual background and explanation, so please do not hesitate to reach out to me if you have any questions.

RE: CAFII Regulatory Presentation to Nova Scotia

McCarron, David <David.McCarron@novascotia.ca>

Mon 2023-10-30 10:29 AM

To: Keith Martin <Keith.Martin@cafii.com>; Deshmukh, Rahul P <Rahul.Deshmukh@novascotia.ca>; MacLeod, Angela L <Angela.MacLeod@novascotia.ca>

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

Thank you Keith,

We certainly enjoyed having you all here at our offices. We appreciated CAFII's approach to an engaging conversation. The polling information was also insightful and helps us to better understand consumers from our side of the table as well.

We will reach out should anyone else within our Department be interested in your presentation.

Regards,

Dave



5th Floor, Provincial Building
1723 Hollis Street
Halifax, NS

David McCarron, CPA
Executive Director, Financial Institutions
Superintendent of Credit Unions, Trust and
Loan Companies, Insurance and Pensions

☎ 902-424-7552
📞 902-220-5602
🖨 902-424-1298
✉ david.mccarron@novascotia.ca

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

Sent: Monday, October 30, 2023 11:19 AM

To: McCarron, David <David.McCarron@novascotia.ca>; Deshmukh, Rahul P <Rahul.Deshmukh@novascotia.ca>; MacLeod, Angela L <Angela.MacLeod@novascotia.ca>

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

Subject: CAFII Regulatory Presentation to Nova Scotia

**** EXTERNAL EMAIL / COURRIEL EXTERNE ****

Exercise caution when opening attachments or clicking on links / Faites preuve de prudence si vous ouvrez une pièce jointe ou cliquez sur un lien

Hello David, Rahul, and Angela,

On behalf of Brendan, myself, our CAFII colleagues, and the CAFII member company representatives in our delegation, thank you for meeting with us on October 18, 2023. We found the opportunity to share our

RE: CAFII Regulatory Presentation to Nova Scotia

Deshmukh, Rahul P <Rahul.Deshmukh@novascotia.ca>

Mon 2023-10-30 11:40 AM

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

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>; McCarron, David <David.McCarron@novascotia.ca>

Hello Keith,

Thank you for sharing the presentation. It was great to meet all of you in our office.

Best regards

Rahul

Rahul Deshmukh
Manager(Acting), Financial Institutions
NS Finance and Treasury Board,
Office of the Superintendent of Insurance/Credit Union
T:902-424-5240
F:902-424-1298

Courier: 1723 Hollis Street, 5th Floor, Halifax, NS B3J 1V9
Mailing: PO Box 2271, Halifax, NS B3J 3C8

From: McCarron, David <David.McCarron@novascotia.ca>

Sent: Monday, October 30, 2023 11:30 AM

To: Keith Martin <Keith.Martin@cafii.com>; Deshmukh, Rahul P <Rahul.Deshmukh@novascotia.ca>; MacLeod, Angela L <Angela.MacLeod@novascotia.ca>

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

Subject: RE: CAFII Regulatory Presentation to Nova Scotia

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Regards,

Dave


Finance and Treasury Board
Financial Institutions

5th Floor, Provincial Building

David McCarron, CPA
Executive Director, Financial Institutions
Superintendent of Credit Unions, Trust and
Loan Companies, Insurance and Pensions

 902-424-7552

RE: CAFII Presentation to Newfoundland and Labrador

Bishop, Jean E <JeanBishop@gov.nl.ca>

Mon 2023-10-30 10:31 AM

To: Keith Martin <Keith.Martin@cafii.com>; Adams, Kris <KrisAdams@gov.nl.ca>; Jones, Scott <ScottJones@gov.nl.ca>; Dutton, Sean <sdutton@gov.nl.ca>

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

Keith

Thank you for a copy of the deck. Your briefing was very informative. Should you have any questions or wish to discuss any issues, please reach out to me anytime.

Kindest regards,
Jean

Ms. Jean Bishop, Director (she/her)

Consumer and Financial Services Division

Administrator of Private Investigations and Security Services

Director of Charitable Lottery Licencing

Director of Residential Tenancies

Registrar of Collection Agencies and Collectors

Registrar of Credit Reporting Agencies

Registrar of Direct Sellers

Registrar of Mortgage Brokers

Registrar of Payday Lenders

Registrar of Prepaid Funeral Services Sellers

Superintendent of Insurance

Superintendent of Real Estate Brokers and Salesperson

Department of Digital Government and ServiceNL

Government of Newfoundland and Labrador

P.O. Box 8700

St. John's, NL

A1B 4J6

Tel: 709-729-2717

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

Sent: Monday, October 30, 2023 11:53 AM

To: Bishop, Jean E <JeanBishop@gov.nl.ca>; Adams, Kris <KrisAdams@gov.nl.ca>; Jones, Scott <ScottJones@gov.nl.ca>; Dutton, Sean <sdutton@gov.nl.ca>

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

Subject: CAFII Presentation to Newfoundland and Labrador

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Jean, Sean, Scott, and Kris,

On behalf of Brendan, myself, our CAFII colleagues, and the CAFII member company representatives in our delegation, thank you for meeting with us on October 19, 2023. We found the opportunity to share our

Re: Thank you from CAFII

Steve Dowling <SDDOWLING@gov.pe.ca>

Mon 2023-10-30 10:46 AM

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

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

Thanks Keith. Happy to have assisted. Sounds good.

Get [Outlook for iOS](#)

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

Sent: Monday, October 30, 2023 11:15 AM

To: Steve Dowling <SDDOWLING@gov.pe.ca>

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

Subject: Thank you from CAFII

Hello Steve,

I am long overdue to send you a sincere "thank you" for helping me and my colleagues in our visit to PEI on 21 September, 2023.

As it turned out, we had a very productive session with Robert Bradley, Lauren Keefe-Hogan, and Curtis Toombs, all of whom came to the session in person for 90 minutes. I was accompanied by my staff colleagues Brendan Wycks, Shanay Smith and Robyn Jennings, as well as a senior volunteer group, some in-person and some hybrid.

I know it would not have turned out this way if it were not for your intervention, and we are all very grateful to you.

I let your colleagues know that I would share the presentation with them, and I am going to send it to them, copy to you, by separate email in a few moments. If you or your colleagues ever have any questions, or would like me to make the presentation to some others in your team, please do not hesitate to reach out to me.

Also Steve, if ever you find yourself in Toronto, please do reach out to me as I would be pleased for you to be my guest over lunch.

Regards,

--Keith

Keith Martin

Co-Executive Director / Co-Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

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Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 6(f)

Read Only Items - Results of FSRA Survey of Sectoral Advisory Committee on FSRA's Performance

Purpose of this Agenda Item—Read Only

To share with the Board the results of the FSRA Survey of Sectoral Advisory Committee Members on FSRA's Performance.

Background Information

FSRA recently released the results of its Survey of Sectoral Advisory Committee Members on FSRA's Performance.

Recommendation / Direction Sought—Read Only

No action required.

Attachments Included with this Agenda Item

One (1) attachment.

Financial Services Regulatory Authority of Ontario Stakeholder Audit Research - CAP/SAC

September 25, 2023 – Executive Summary

FSRA

Financial Services Regulatory
Authority of Ontario



**FORUM
RESEARCH**

Background and Research Objectives

Background

This project is part of Financial Services Regulatory Authority of Ontario's (FSRA) ongoing efforts to track engagement with their Stakeholder Advisory Committees and Consumer Advisory Panel. The aim of this research, through gathering feedback from these stakeholder groups, is to help FSRA continue its mission of delivering on their brand promises, mission, and track their progress over time. The preceding research took place two years prior to this study.

Research Objectives

- Understand stakeholder perceptions of FSRA in terms of:
 - Their relationship with FSRA as a member of their SACs or CAP
 - FSRA's engagement with the participant's sector
 - Provide trends analysis from the last 2021 survey
 - How valuable the engagement with them is
 - Participants' perception of FSRA's reputation
 - Participants' perception of FSRA's delivery on their brand promises
 - Participants' perception of FSRA's delivery on their mission statement
- Thus, identifying FSRA's strengths and any areas of improvement that would help FSRA's engagement with participants' respective sectors.

Methodology



DESIGN

- 77 In-depth interviews were conducted through Zoom.
- FSRA sent email communications to SAC and CAP members, and Forum Research followed up with each member to schedule an interview
 - Participants recruited participated on a voluntary basis
 - Participants recruited came from a mix of different sectors



DATE AND LENGTH

- In-depth Interviews took place between June 15th - July 7th, 2023
 - Each in-depth interview lasted between 15-45 minutes



PARTICIPANT QUALIFICATION

- Participants must be a member of either one of FSRA's Stakeholder Advisory Committees or Consumer Advisory Panel
 - Participants must have access to highspeed internet and a personal device in order to participate



PARTICIPANTS CONTACTED

- Credit Union - 12 contacted, 7 completed interviews
- Financial Planners and Financial Advisors - 13 contacted, 12 completed interviews
- Health Service Providers - 11 contacted, 11 completed interviews
- Life and Health Stakeholder - 16 contacted, 13 completed interviews
- Mortgage Brokering - 15 contacted, 11 completed interviews
- Pensions Stakeholder - 19 contacted, 9 completed interviews
- Property and Casualty Stakeholder - 12 contacted, 9 completed interviews
- CAP - 13 contacted, 5 completed interviews

Overall

KEY FINDINGS

Key Finding #1

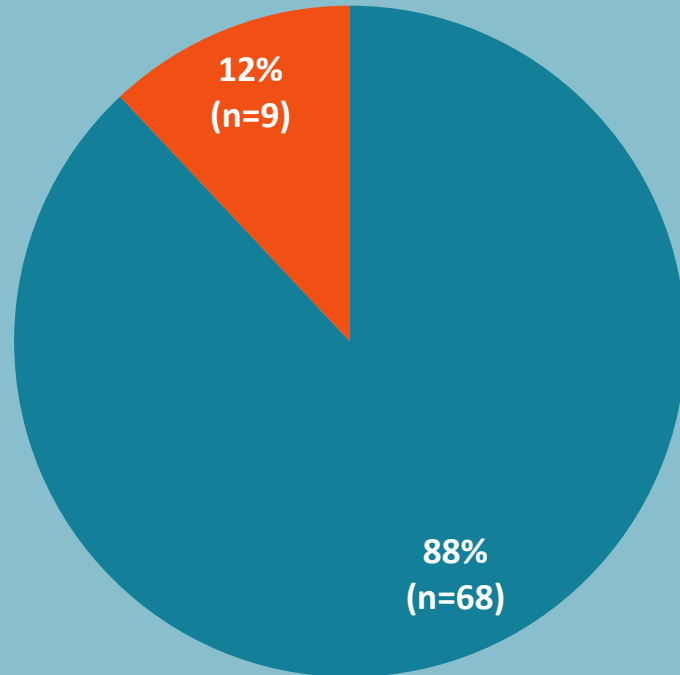
Engagement with FSRA's Management Team

- FSRA develops meaningful interactions at meetings through their willingness to set an agenda where issues get addressed.
- Participants mentioned the prepared materials FSRA sends before meetings as key to having smooth and productive discussions.
- Moreover, participants felt FSRA management was receptive to feedback and open to ideas.
- Furthermore, participants were appreciative of FSRA's responsiveness. Most participants felt that FSRA is always quick and informed with their communication.
- Some participants felt the diversity of SAC members' backgrounds further added to the quality and value of the discussions.
- When compared to the 2021 research, the above points show a noticeable improvement in transparency, engagement, and relationships with managers, which were areas of improvement from 2021.

How would you characterize your involvement with management as a SAC/CAP member? Would you say it is meaningful? Not meaningful? (Probe: what are the most meaningful parts of those meetings? What did you like? What could be better?)

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Meaningful v. Not Meaningful Engagement



■ Meaningful
■ Not meaningful

Key Finding #2

Engagement with FSRA's Board of Directors



- Many participants felt the yearly meetings with the Board are meaningful. Was seen as open to ideas and the agendas and meetings are engaging with all attending members, well prepared, with lots of great questions. Interactions were collegial and professional.
- Participants mentioned the Board's sincere desire to listen and engage in productive discussions with the SACs/CAP.
- Moreover, many participants were sympathetic to the challenges the Board faces by having meetings only once a year and covering many topics. Despite this limitation, many participants felt the Board was very interested in their insights and were able to cover important topics with sufficient depth.
- Stakeholders thought it was important for the board to welcome all communications from different companies, and not filter it through another organization who speaks on their behalf. For example, members of the Property and Casualty SAC worried about the IBC (Insurance Bureau of Canada) speaking on their behalf.
- The board mostly consults on the right materials and there is sufficient transparency in their processes.

Engagement with FSRA – Per Sector

Agenda Item 6 f - December 5/23 Board Meeting

Credit Union

Some participants found meetings with FSRA management and the Board valuable for sharing perspectives and understanding the Board's views. FSRA is seen as receptive, open, and effective in communication. Additionally, participants appreciate receiving meeting agendas well in advance, allowing for better preparation and more productive discussions.

Financial Planners and Advisors

Most participants felt their engagement with FSRA through their SAC was meaningful. They highlighted the good atmosphere and good communication as the reasons the conversations are productive.

Health Service Providers

Most SAC participants found meetings with FSRA management and the Board meaningful, with both entities demonstrating active listening and interest in their insights. Some participants noted that the diversity among SAC members enriched discussions.

Life and Health

Most SAC participants found interactions with FSRA meaningful and appreciated the sincerity and importance FSRA placed on their engagement. Experienced participants viewed SAC meetings with management as valuable for sharing insights gained over the years, while less experienced participants saw them as opportunities to share perspectives and learn simultaneously.

Engagement with FSRA – Per Sector

Agenda Item 6 f - December 5/23 Board Meeting

Mortgage Brokers

Many participants found their interaction with management and the Board to be meaningful. FSRA listens and many participants enjoyed their interactions in meetings. Some were interested in having more meetings.

Pensions

Participants felt that the interactions with management and the board were meaningful. There are great discussions and SAC members enjoy hearing what is going on with each other. FSRA listens and are flexible.

Property and Casualty

Many participants felt their meetings with management and the FSRA Board were meaningful. FSRA's leadership was seen as being transparent with issues. FSRA listens well. For some, there is a collegial and professional dialogue with good engagement back and forth.

Consumer Advisory Panel

Most participants felt their engagement with FSRA is meaningful. They felt that they were welcome to directly raise topics and express concerns and that those topics and concerns were listened to.

Key Finding #3

FSRA's Strengths

- Stakeholders applaud FSRA's excellent communication style, transparency, and responsiveness. FSRA's communication has continued to improve over time. The regular correspondence, updates, and bulletins are appreciated.
- Several participants felt FSRA's transparency created an atmosphere of openness which allowed SAC/CAP members to feel comfortable sharing feedback.
- FSRA's principle-based approach is a welcome change from the rigidity of past regulators.
- Many participants pointed to FSRA's flexibility as a major benefit of being a newly established regulator. These participants argued it is necessary to evolve with the industry and that FSRA's flexibility and openness to new ideas is part of what sets FSRA positively apart from other regulators.
- Several participants pointed to the creation of the SAC/CAP groups as positive signs of FSRA's sincere desire to understand the industry and get expert insight. Many felt FSRA's interest is sincere.
- FSRA wants to hear the voices of stakeholders. There was a strong desire by sectors to have their voices heard. FSRA has responded well in this capacity.



FSRA's Strengths – Per Sector

Agenda Item 6 f - December 5/23 Board Meeting

Credit Union

Some participants noted FSRA's strengths in communication and information sharing. Others commended FSRA's efforts to ensure proper regulation, and a few mentioned the establishment of advisory committees as a sign of their interest in industry collaboration.

Financial Planners and Advisors

FSRA was perceived by some as receptive, engaged, and knowledgeable. Others were impressed with the experienced staff and commitment to doing the right thing. Several participants highlighted FSRA's organization and preparation, including well-structured meeting materials. Additionally, some recognized FSRA's passion and determination as another core strength.

Health Service Providers

Many participants felt that FSRA's strength lay in its articulate communication and openness to new ways of thinking. Furthermore, some participants who had experience with FSCO felt FSRA's openness is what set them apart from their predecessor. They felt this distinction signaled a bright future for FSRA.

Life and Health

Several participants from this stakeholder group felt FSRA's greatest strengths was FSRA's openness. Participants felt FSRA was open to feedback, encouraged an open dialogue, and transparent. Furthermore, that openness made participants feel that FSRA listens.

FSRA's Strengths – Per Sector

Mortgage Brokers

FSRA by some is seen as respectful, attentive listeners who are dedicated to making a difference and value industry input. They believe FSRA is uniquely knowledgeable about the mortgage sector and plays a crucial role in safeguarding it from misconduct and fraud. Many participants view FSRA as well-organized, knowledgeable, with highly respected staff in the industry.

Pensions

Many participants find FSRA to be open and great with communication. FSRA is willing to listen. They are responsive and adept at bringing people together. FSRA is focused.

Property and Casualty

Some participants see FSRA as engaging and communicating well. Another perspective is that they have become more pragmatic. They are also perceived as adaptive. They meet deadlines. FSRA asks for a lot of input.

Consumer Advisory Panel

Several participants pointed to FSRA's responsive replies to inquiry, encouragement of feedback, and active listening, as strengths which made participants feel FSRA's sincerity in engaging with CAP members.

Verbatim - Strengths

FSRA has good communication

"They are very good communicators and are very open to discussing their approach. They are very clear about what their role is." –Pensions

FSRA is transparent and open

"I think there's, they're open, they're approachable. They are transparent in as far as they can go with that. So, I think that's been quite good. And they've created opportunities to interact with other sectors or groups. So that's all been quite positive." –Health Service Providers

"I mean, I think their strength is that they're very collaborative and open. I've written senior leaders on numerous occasions; I always get a very immediate and open response. They're also wanting to engage in honest dialogue. So, they're really collaborative and transparent." –Life and Health

"I have observed a shift in the culture to be more open and more engaging with stakeholders." –Life and Health

FSRA asks for and listens to feedback

Well, I like the approachability, I like they're willing to connect and chat and ask questions and learn. And that they're also you know, they're very accessible. So, I think those are very positive things. –Financial Planners and Advisors

"They do contact us which is great. When creating policies or guidance, they seek our input which I think is great." –Credit Unions

"They are responsive when you communicate to them. They always get back to you quickly. They sent out a questionnaire and it was on a proposed strategy deck. In the response back, we could see our feedback." –Financial Planners and Advisors

FSRA is responsive

"[FSRA's] very responsive. And there's a respect for stakeholders' time, and if you no detail is just thrown overboard, like emails get responded to, imputes get reviewed, and you get feedback. So, you feel like you're heard here, right? Instead of just speaking and then it just goes into a pile somewhere." –CAP

Key Finding #4

FSRA's Weaknesses

- While many participants agreed about what FSRA's strengths are there was less cohesion, even within the same SAC, about what FSRA's weaknesses are. Moreover, many participants were reluctant to use the term and preferred to think of these as "areas of improvement."
- Many participants were sympathetic to the multiple challenges FSRA faces such as resource limitations, scope limitations, and being a recently established entity. However, participants felt FSRA needs to be more proactive in advocating for their goals when tackling bigger industry issues that may need collaboration outside industry and other regulating entities.
- Additionally, some participants felt FSRA needed to be more proactive and efficient in identifying and punishing bad actors in the industry.
- Furthermore, some participants felt that FSRA has conflicting interests, red tape, and bureaucracy which limit FSRA's ability to take action and be effective.
- A few participants felt there was a lack of internal cohesion between different departments within FSRA which led those participants to feel issues raised were never addressed or followed up on.



Key Finding #4 – Cont'd

FSRA's Weaknesses

- Stakeholders feel that FSRA is trying to accomplish a lot in a short period of time without considering the needs and ability of sectors to respond to regulatory demands.
- Moreover, several participants mentioned problematic timelines. Some felt FSRA allows themselves long timelines to accomplish tasks while demanding short turnaround for getting information from stakeholders. This stood out particularly for those from smaller companies who felt the short timeliness required much more time and manpower than FSRA accounts for.
- A few participants felt that FSRA is not up to date with new technology prevalent in their industry.
- A few felt the management team lacked expertise in their industry and is thus unable to account for their needs and lack knowledge about what can be reasonably expected from them. Notably, this criticism was most prominent among members of the Credit Union and Pensions SACs.



FSRA's Areas of Improvement – Per Sector

Agenda Item 6 f - December 5/23 Board Meeting

Credit Union

Some participants expressed concerns about FSRA's perspective on the credit union industry, particularly regarding changes leading to larger credit unions becoming federal entities. Also, some participants feel FSRA is less likely to engage or listen to credit union SAC members, and they perceive the regulator as working in silos. There's also a call for FSRA to adopt a more future-oriented approach.

Financial Planners and Advisors

Challenges in FSRA's approach include the difficulty of treating all financial planners and advisors equally. They suggested considering variations in licenses and career stages. Some found FSRA bureaucratic and believed it could be more proactive in driving outcomes like nationwide regulation harmonization. Participants also want for more proactive communication regarding regulatory matters.

Health Service Providers

Some SAC participants sought better meetings with management due to their brevity and infrequency, understanding the challenges FSRA faces in the complex healthcare sector. Others felt their insights might not be effectively acted upon, possibly due to internal issues. There were also concerns about the principles-based approach leading to confusion and insufficient action.

Life and Health

Overall, participants from the Life and Health SAC had more difficulty thinking of “weaknesses” than “strengths.” However, a few participants from this sector felt that FSRA lacked some internal cohesion. Participants described feeling that their issues or complaints went unresolved because their issue got passed around to different groups internally without getting addressed.

FSRA's Areas of Improvement – Per Sector

Mortgage Brokers

FSRA could establish clear standards and stricter training standards within the mortgage sector in some areas. Some felt that FSRA could be more stringent in terms of licensing in the sector. There are opinions among a few participants that some people at FSRA are responsible for regulating the sector without as much knowledge and experience. This could lead to miscommunication.

Pensions

FSRA has faced some turnover and lost some expertise. Some participants also suggested that FSRA could be more proactive with their mandate and administering their act. They could be less rigid and continue to pursue a principle-based approach.

Property and Casualty

FSRA could be bolder in their approach on proposals. Some participants feel that FSRA must represent all the voices in the industry. While recognizing that FSRA has big projects, they can be slow. Some participants felt that communication should continue to be open and flexible. FSRA could bring more urgency and attention to the issues the industry is facing.

Consumer Advisory Panel

Several participants felt there wasn't strong enough enforcement of FSRA's regulations. This criticism was voiced in several times. Others felt there was little to no follow up on individuals who have been reported, and if action against those individuals has been taken it isn't relayed back to the person who made the report and thus the issue feels unresolved.

Verbatim - Weaknesses

FSRA doesn't follow through with concerns raised

"The interactions have been very positive. But I think people just feel like the constraints of FSRA being too rigid. And when things are brought up, when constructive recommendations are brought up, people feel like it just dies on a vine. Right? Like it just feels like there isn't really, you know, a place where it goes that is having some sort of impact in the end." –Health Service Providers

FSRA's timelines aren't adequate

"You know when people get hurt and insurance claims become something they need to deal with while covering it's difficult. These people are vulnerable, they experienced an injury which could change their lives. So having to deal with paperwork and getting it done on a timeline is hard. They're trying to recover, you know? I wish FSRA could be more understanding about that." –CAP

"Their time frame for the request of information sometimes seems to be a little short." –Credit Unions

"They are trying to leapfrog ahead of what some other regulators are doing. It can be very taxing on the sector to keep up with demands and timelines." –Credit Unions

FSRA is behind technologically

"We have an API that we would like to use with FSRA to be able to cut down on manual processing of students and tracking student progress if they have been licensed. FSRA has an API but are not willing or capable of sharing the information via that technology at this point." –Mortgage Brokers

"Certain areas of the of the organization like technological and the operational side will need to enhance to develop better service." –Credit Unions

FSRA is not proactive enough with complaints

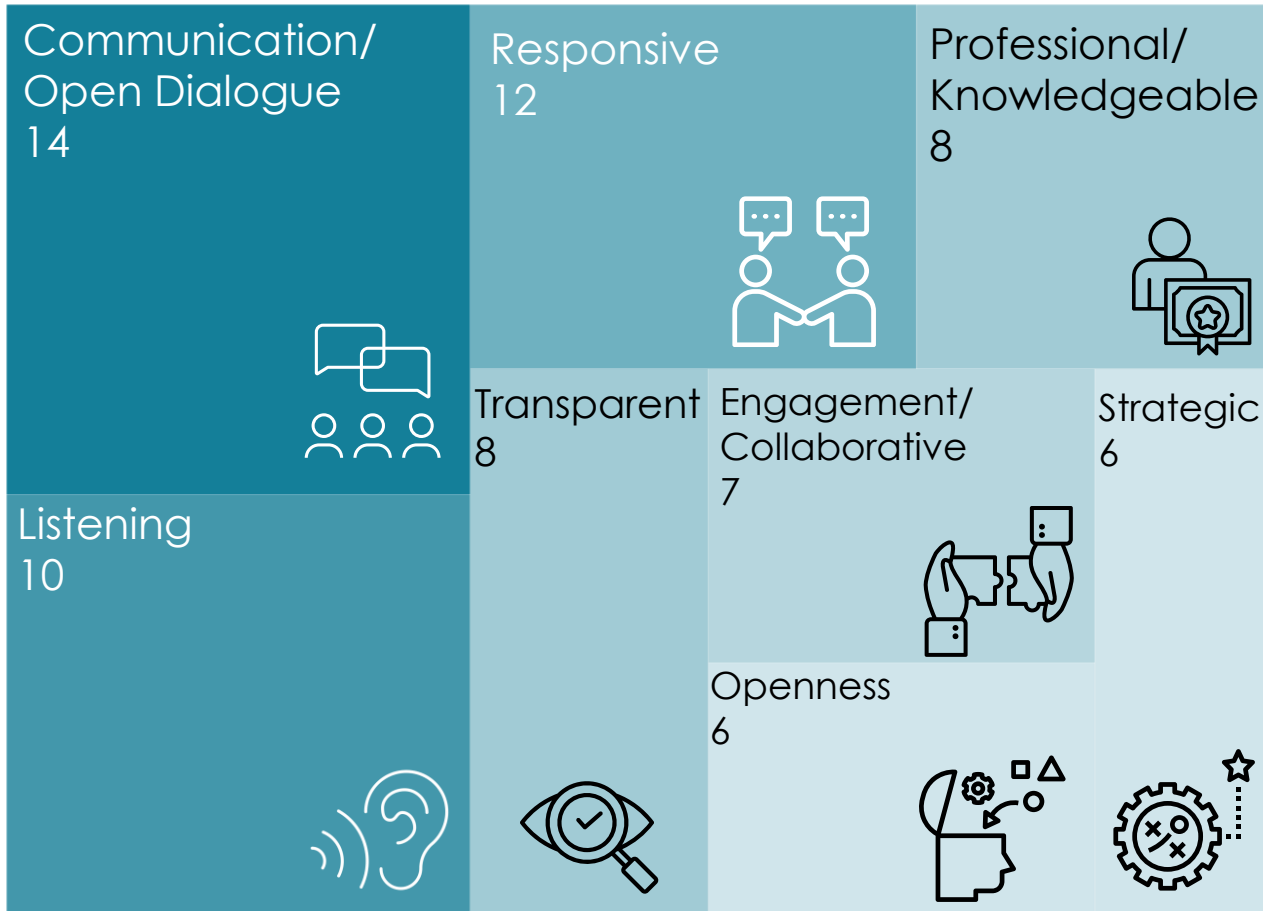
"Sometimes it is very hard to defend FSRA because it can take two to three years to get a complaint dealt with here. I think they should be more aggressive with their mandate and administering the act." –Pensions

FSRA staff lacks expertise

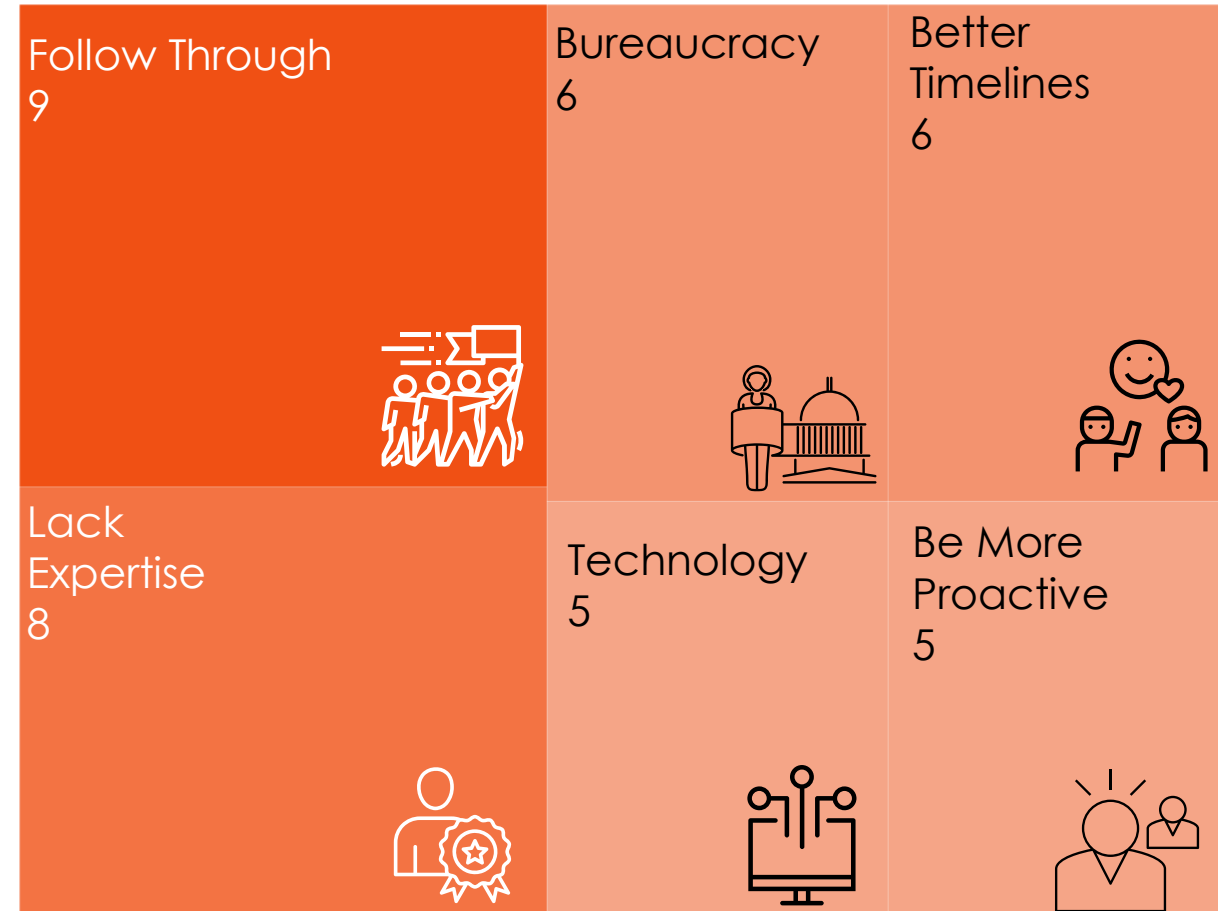
"They have some learning to do about the breadth of industries that they are regulating. Because they are spending a lot of time pushing out guidance and interpretation that has a strong consumer protection focus." –Property and Casualty

Commonly Mentioned Strengths & Weaknesses

Common Strengths

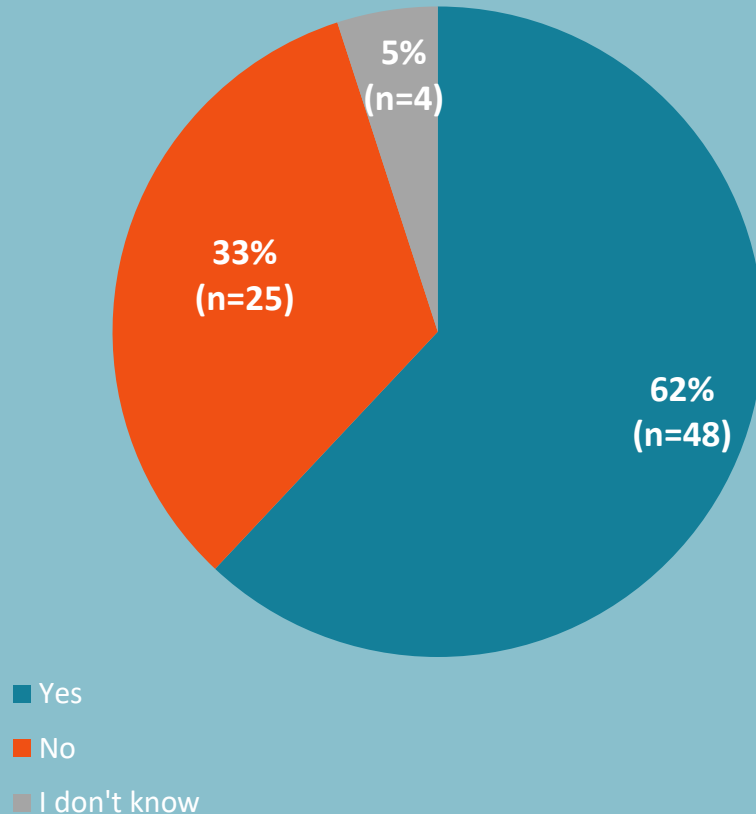


Common Weaknesses



Thinking of how FSRA interacts with you and with other stakeholders, what do you see as their strengths and weaknesses?

Living up to Brand Promise



* Note about these undecided: there were a few participants who felt they couldn't really answer the question because they felt it was out of their scope, and thus they felt uncomfortable making a judgement on that from their limited perspective.

Key Insight #5

Brand Promise and Vision

- **FSRA's vision is to be a regulator which financial safety, fairness, and choice to Ontarians. FSRA's brand promise is to protect consumers, be effective, and be trustworthy.**
- There was mixed reaction from participants about whether FSRA has delivered on its brand promise.
- For some participants, there was an easy, wholehearted agreement that FSRA has delivered on its brand promise. Several felt FSRA is doing a lot of work while always keeping its mandate front and center, particularly, protecting consumers.
- However, others felt the nature of FSRA's brand promises means they need to be constantly evolving alongside the industry in order to consistently deliver those promises.
- Some felt FSRA is too young a regulator to have built up enough trust to be considered trustworthy but generally stakeholders agreed that FSRA delivered on this promise.
- Being effective is still a work in progress. Stakeholders believe it is sometimes hard to be effective with such diverse views; but FSRA is on the right path to effectiveness.
- A few participants felt consumers weren't being protected because consequences and disciplinary action against bad actors in the industry hasn't been enforced with enough rigor.
- Further, several participants were confused about what FSRA's vision of offering choice to Ontarians meant. But overall, participants agreed FSRA is working towards its vision.

Would you agree it is living up to its brand promise – protecting consumers, being effective and being trustworthy?

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Brand Promise— Per Sector

Credit Union

Some participants believe FSRA fulfills its consumer protection mission, despite handling sensitive issues. Others suggest amending the slogan to include "in collaboration with the sector." However, there is concern that FSRA's focus on meeting objectives may lead to neglecting the regulated sector. Additionally, there's a noted disconnect between consumer expectations and reality.

Financial Planners and Advisors

Some participants believe FSRA has succeeded in fulfilling their brand promises, while others felt FSRA's intentions are there but had some uncertainty on if they're actually delivering. A few felt FSRA has a direction from the provincial government they must follow. There is another perception that FSRA is moving in the right direction towards fulfilling that promise over time. It is a work in progress.

Health Service Providers

Participants that felt FSRA had room for improvement in delivering on their brand promise were sympathetic to the difficulty of the task. A reoccurring theme is the interaction across disciplines, across internal divisions, across sectors, and in this case across organizations. Several participants expressed that more cohesion across government entities is needed in order to achieve FSRA's goals.

Life and Health

Many participants felt that FSRA is living up to its brand promise of being effective, trustworthy, and protecting consumers. A few who were unsure if FSRA delivered, but they felt FSRA was making an honest effort.

Brand Promise— Per Sector

Mortgage Brokers

Some participants felt FSRA had more to accomplish in this area. There are limits to FSRA's oversight and regulatory powers in the mortgage sector. Most participants perceived FSRA to be trustworthy and strive to be effective and be a strong advocate for Ontario consumers.

Pensions

Many participants from this sector addressed each brand promise separately. Overall, FSRA is perceived widely to be trustworthy. Participants felt being effective is an area where improvement could be made. A few participants thought the consumer aspect did not relate to the pension industry.

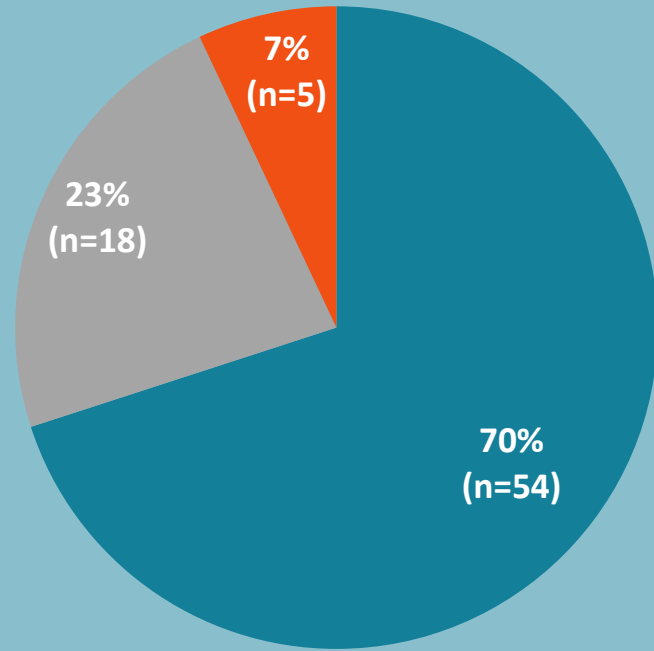
Property and Casualty

Some participants feel that FSRA has helped businesses. Others feel that FSRA must continue to address other key priorities even though there is a lot of alignment about objectives between the sector and FSRA. They are perceived as trustworthy and well on the road to protecting consumers. Being effective is a work in progress. They are living up to their mandate but need more time.

Consumer Advisory Panel

Participants were divided on this topic. Some felt due to the above criticism, FSRA isn't delivering on its goal of protecting consumers or being effective. While others felt FSRA is too new to have established strong trust between consumers and itself.

Overall Impression of FSRA



■ Positive
■ Neutral
■ Negative

Key Insight #6

Respect and Reputation

- As a regulator, stakeholders admire FSRA's strong executive leadership, including the Board. Furthermore, stakeholders believe that FSRA is quite exceptional in comparison to its predecessor, FSCO, and have made improvements to their processes in the short four years since becoming a regulator.
- Perceptions are positive regarding the wealth of experience and expertise that the leadership team possess.
- Some participants who had experience with FSCO felt FSRA's openness is what set them apart from their predecessor.
- For a young regulator, FSRA's reputation is excellent and compares favorably to provincial and federal regulators in Ontario and other provinces in Canada. Several participants felt that, despite its youth, FSRA is a leader in Ontario.
- However, a few participants felt it was too early in FSRA's existence to make a judgment about FSRA's reputation.
- Among the 5 CAP members who participated, 2 members have a negative overall impression while 3 members have a positive impression.

Note: there were only a few references to DICO; there were mentions of OSFI and other unnamed national regulators. DICO was mentioned by name but not commented on.

FSRA is a young regulator having been launched in 2019. With respect to reputation, how does it compare to other regulators provincially or nationally? Do you think FSRA is a well-respected organization?

Reputation – Per Sector

Agenda Item 6 f - December 5/23 Board Meeting

Credit Union

FSRA is perceived to be a young regulator so they may tend to lack some maturity in their approach. Some participants credit them as being average. Most of the credit unions would not tend to rate their reputation very highly.

Financial Planners and Advisors

Overall, perceptions varied but FSRA's reputation continues to improve over time. Some participants feel that the leadership team is doing a lot of good work and that FSRA is well respected. Others agree that FSRA is well respected without expressing any doubts or reservations. Some participants felt that FSRA is well respected by people who are familiar with the regulator. A few participants had no answer to the question.

Health Service Providers

Participants had mixed feelings when asked about FSRA's reputation. It was clear that participants who felt FSRA had room to grow viewed themselves as part of helping FSRA achieve that growth. Furthermore, some participants felt FSRA was doing a good job, particularly, considering FSRA's relative newness as a regulator.

Life and Health

Overall, participants from this SAC felt FSRA is well respected due to FSRA's engagement, communication, and openness.

Reputation – Per Sector

Mortgage Brokers

FSRA is perceived by many participants to be proactive, communicate well and are transparent. They are well respected within the industry. Some participants believe that FSRA's educational requirements could be stronger, and they need more teeth.

Pensions

Many participants felt FSRA compares favorably to other regulators, if not better, despite being a young regulator. They are respected across the sector, are professional, and do their job. FSRA is open to change and have the right agenda.

Property and Casualty

Many participants view FSRA as a top regulator. Being a young regulator, it is not always a fair comparison but "they stand out on their own." They are respected within the industry. Some participants also see them as flexible and less rigid than their predecessor, FSCO.

Consumer Advisory Panel

Some participants couldn't assess FSRA's reputation due to limited experience with other regulators. However, when asked to evaluate FSRA independently, participants were satisfied with the work FSRA is doing. Other participants interpreted reputation as a reflection of consumer awareness and thus, felt that FSRA doesn't have much of a presence to the average consumer.

Differences in CAP & SAC Members



- The main difference between CAP and SAC members was around follow up with enforcement issues. Both felt there could be more enforcement of FSRA's regulations. The CAP went further and mentioned situations where there had been no follow up on individuals who were reported. The issue felt unresolved if there was no follow up with the person who made the report.
- In terms of FSRA's strengths, some CAP members rated FSRA positively on responsiveness and listening well.
- In terms of weaknesses, some CAP members needed to show more rigor with enforcement and continue to provide strong oversight where consumer interests were concerned.

Key Concerns for Each Sector



- **Credit unions** are struggling under the burden of regulations. There are challenges dealing with all the regulatory changes. There are some concerns with execution with many requests being disjointed. FSRA is not considering the limitations of some of the smaller credit unions.
- **Mortgage brokers** have concerns about licensing the different levels of mortgage agents and brokers. The industry oversight is good but could be more stringent, in terms of entry into the business, in the sector in terms of licensing.
- Among **Financial Planners and Financial Advisors** there are concerns about the “competency profiles” of financial advisors, in providing advice. It needs to be more robust.
- Stricter enforcement of regulation against bad actors was a key area of improvement for members of the **Consumer Advisory Panel**.
- Both **Life and Health** and **Health Service Providers** felt there needs to be better understanding from FSRA of the nuances of their sector.

Recommendations from our Stakeholders

- 1. Emphasize and Uphold the Mandate:** FSRA must unwaveringly prioritize and champion its mandate. The unwavering commitment to the FSRA mission has instilled a strong sense of shared purpose among participants. However, it is important to notify when disciplinary actions are taken and that there is recourse for bad actors.
- 2. Continue Tailored Sector-specific Collaboration:** To show that FSRA has a deep understanding of the intricate nuances of each sector, FSRA should continue tailoring its collaborations accordingly. The remarkable success of FSRA's collaboration with the pensions sector during "Pension Awareness Day" serves as a shining example of the agency's ability to align its actions with sector-specific requirements.
- 3. Foster Unwavering Openness and Transparency:** FSRA's commendable commitment to open dialogue and transparency has been repeatedly praised as a cornerstone of fruitful and candid discussions. The agency should not only sustain but also intensify this approach, actively sharing its perspectives and decision-making processes with stakeholders.
- 4. Strengthen Management-Participant Relations:** The establishment of robust connections between FSRA management and SAC/CAP members has significantly improved perceptions of FSRA staff quality and the agency's sincerity in fostering collaboration. FSRA must persistently promote and nurture this essential relationship to fortify stakeholder trust and cooperation.

Recommendations Per Sector

Credit Unions

Consider Resource Implications: FSRA should be aware of the resource implications that accompany regulatory changes and assess their impact on organizational manpower requirements.

Embrace Forward-Thinking Strategy: To capitalize on their strategic strengths, FSRA should adopt a future-oriented perspective, actively exploring opportunities and potential advancements within the credit union sector.

Financial Planners and Advisors

Pursue Licensing Harmonization: FSRA should take the lead in investigating opportunities for licensing rule harmonization across the country, streamlining processes and promoting consistency.

Elevate Industry Credibility: Recognizing the need for enhanced credibility in the financial planning and advisory sector, FSRA should proactively take on the role of bolstering the industry's reputation and integrity through stringent oversight and professional development initiatives.

Health Service Providers

Examine Healthcare Industry Nuances: FSRA should inspect the intricate details and nuances of the healthcare industry, to ensure effective and tailored regulation.

Strengthen Collaboration with Providers: FSRA should seize the opportunity to forge closer collaborations with health service providers, actively engaging them in the regulatory process to refine and enhance regulations for the sector's benefit.

Recommendations Per Sector – Cont'd

Life and Health

Foster Collaborative Solutions: FSRA and the life and health sector share a common goal of safeguarding consumers' interests. The agency is urged to foster a collaborative environment to generate innovative ideas and solutions that empower the industry to efficiently serve its customers.

Practical Considerations: FSRA must remain rooted in real-world issues when dealing with this sector, carefully evaluating the implications of its decisions on the industry's operations and its ability to meet customer needs.

Mortgage Brokers

Elevate Entry Barriers: Given concerns about low entry barriers in the mortgage industry, FSRA should establish and enforce clear, stringent standards, including more rigorous training requirements and licensing protocols, to enhance professionalism and industry reputation.

Enhance Educational Standards: FSRA should take proactive measures to enhance educational standards within the mortgage industry, prepared to take a firm stance to raise the industry's standing and ensure consumers receive the highest level of service and protection.

Pensions

Energize Mandate Implementation: FSRA should adopt a more assertive stance in executing its mandate, demonstrating a proactive commitment to administering the Pension Act effectively.

Recommendations Per Sector – Cont'd

Pensions -continued

Preserve Principle-Based Approach: FSRA should steadfastly adhere to its principle-based regulatory approach and avoiding excessive prescription in guidance.

Sustain Successful Initiatives: FSRA's effective execution of Pension Awareness Day serves as a model for success. It is imperative that the agency continues to organize and promote such events to enhance engagement.

Property and Casualty

Pay attention to who is at the table: FSRA is urged to represent all the different voices in the sector to ensure each position is heard. The Property and Casualty SAC do have a deliberate strategy and desire to work closely with FSRA. Ensure that all companies, of all sizes are heard and represented.

Consumer Advisory Panel

Strengthen Regulatory Enforcement: The consumer advisory sector prioritizes robust regulatory enforcement while maintaining a principle-based approach. FSRA should bolster its enforcement efforts, demonstrating a more forceful commitment to upholding regulations.

Prioritize Consumer Protection: To be truly effective and gain recognition among consumers, FSRA must consistently prioritize consumer protection, raising its profile as a dedicated advocate for consumers' rights and well-being.

Recommendations - Verbatim

Strict enforcement of disciplinary action

"Yes, the regulators should be going out to all the financial institutions that the regulator has to regulate, use a risk-based approach to ensure that your company is complying with the rules that are in place." — CAP

Dedicate time to learning sector intricacies

"I think really just realizing that the system is complex. And it's not as simple as having these little committees, piece out this one little thing because the system is complex, and really hearing what we have to say, even though it might not be within the scope of what we're saying, because I don't think that there's follow through support." — Health Service Providers

"I think it's always important to ensure that a regulator has a deep and material understanding of the businesses that it's regulating. So, whether that means that they should have some comments from some of the companies or they should have more engagement to make sure that they understand, you know, the regulatory landscape and the operational realities." — Life and Health

Take on a boarder perspective

"Like I said, beyond the committee FSRA needs to sort of be more broad or forward looking in terms of what sector stakeholders are suggesting to them about how the sector, and overall industry, can be made better. But I think that requires them to have some form of a broader advocacy or lens than what they do currently with the committee that I sit on." — Health Service Providers

Keep consumer protection front and center

"I think that sort of implicit in everything that I've said in this interview I would like to see FSRA adopt a much more balanced approach to all of its key stakeholders. And in that regard, as I've indicated, I think there has been in its early years, and understandably so, I'm not being horrifically critical, only moderately critical. I think there has been a disproportionate focus on two of the stakeholder groups, namely, the government and industry, and inadequate focus and attention to a very important stakeholder group, namely the consumer." — Financial Planners and Financial Advisors

2021 v. 2023 Study Comparison Per Theme – Overview

Theme	Change since 2021
Responsiveness	↑
Internal cohesion	—
Engagement	↑
Communication	↑
Transparency	↑
Efficiency	—
SAC dynamics	↑
Overall impression	↑
FSRA Compared to Past Regulators	↑
Talent and Leadership	—
Approach 165	—






Positive change







No change





2021 v. 2023 Study Comparison Per Theme

Theme	2021	2023	Change since 2021
Responsiveness	In 2021 , certain stakeholders across various sectors encountered challenges related to the lack of follow-up on issues or concerns conveyed to FSRA.	The 2023 stakeholder audit presents a transformed scenario wherein FSRA exhibits a notably high level of responsiveness. Numerous stakeholders participating in the study expressed satisfaction with FSRA's proactive engagement, including prompt responses through phone calls and emails.	
Internal cohesion	In 2021 , bureaucratic processes were identified as a contributing factor to concerns not being follow-up on, compounded by instances where FSRA operated in isolated segments, impeding effective communication with internal departments in specific areas.	In 2023 , the perception that FSRA works in silos remains the same. This issue was cited again a potential reasoning for why concerns aren't addressed.	
Engagement	In 2021 , FSRA's engagement with SACs and the CAP was noted as a promising indication of FSRA's willingness to engage with industry. At this time, this engagement was seen as a work in progress.	In 2023 FSRA's willingness to actively engage with SACs and CAPs was widely acknowledged and appreciated. This positive shift does not appear to be an isolated trend, as many stakeholders commented on FSRA's receptiveness to concerns and issues, comparing it favorably to the previous regulator, FSCO.	

2021 v. 2023 Study Comparison Per Theme – Cont'd

Theme	2021	2023	Change since 2021
Communication	In 2021 , there are mentions of some negative interactions with management and difficulty getting in touch.	In 2023 , stakeholders largely praised their interactions with management. Stakeholders referred to management as responsive and knowledgeable showing FSRA has made a major improvement in this area.	
Transparency	In 2021 transparency about FSRA's decision making and FSRA's ability to act autonomously were questioned.	However, in 2023 what was a challenge, has now become a strength. Many participants cited FSRA's transparency as a strength owing this shift to regular responsive communication with FSRA and the meetings between SAC/CAP members FSRA management and the Board.	
Efficiency	There were mentions in 2021 of frustration and difficulty with operational dealings such as wait times for licensing and backlogs.	In 2023 the need for efficiency remains an issue. For example, some feel FSRA needs to be more efficient in adopting new technology. Others feel licensing and processing timelines need to be more efficient echoing concerns from the previous study.	
SAC dynamics	In 2021 , there appeared to be a strong dissatisfaction with SAC dynamics.	In 2023 , concerns seems to have decreased and shifted to follow-through and expertise retention within FSRA, ultimately reflecting the organization's evolving performance.	









2021 v. 2023 Study Comparison Per Theme – Cont'd

Theme	2021	2023	Change since 2021
Overall impression	In 2021 expressed a favorable overall impression of the FSRA.	And in 2023 , stakeholders continued to highlighted their favorable impression pointing to FSRA's strengths in communication and attentive listening.	
FSRA Compared to Past Regulators	The stakeholders interviewed in 2021 it appears that stakeholders felt that FSRA's predecessors (FSCO and DSCO) were rigid and adversarial.	This perception of FSRA continues in 2023 . Stakeholders emphasize the positive shift from predecessors. The findings from 2023 highlight the regulator's increased strengths in developing relationships, demonstrated by satisfaction levels in management and Board meetings. FSRA has is seen as "a breath of fresh air" from prior incarnations.	
Talent and Leadership	FSRA was perceived as having a group of talented individuals who were becoming experts in 2021 .	While in 2023 there was some mention of losing expertise, most participants felt FSRA staff were knowledgeable and dedicated.	
Approach	In 2021 FSRA was praised for taking on a principles-based approach.	Still in 2023 , many welcomed the principles-based approach as the innovative way forward in regulating. Notably, certain sectors conveyed encouragement for FSRA to maintain its future-oriented approach and remain vigilant in monitoring changes and trends across all the sectors under its regulatory purview.	

Appendix A

Participant Profiles

Participant Summary (n=77)

Stakeholder Group	Number of Participants	
Credit Union SAC	7	
Financial Planners and Financial Advisors SAC	12	
Health Service Providers SAC	11	
Life and Health SAC	13	
Mortgage Brokering SAC	11	
Pensions SAC	9	
Property and Casualty SAC	9	
Consumer Advisory Panel	5	

Appendix B

Interview Discussion Guide



May 25, 2023

FSRA: Sector Study IDI Discussion Guide

I. Introduction to Discussion (2 minutes)

1. Hello, I am [NAME OF MODERATOR] from Forum Research. We are an independent research company, and today we are here on behalf of the Financial Services Regulatory Authority (FSRA) who wants to hear from you on your experiences on the [IF INTERVIEWEE IS FROM ANY SECTOR STAKEHOLDER ADVISORY COMMITTEE] Stakeholder Advisory Committee/ [IF INTERVIEWEE IS FROM CONSUMER ADVISORY PANEL] Consumer Advisory Panel.
 - a. [IF OTHER FORUM EMPLOYEES PRESENT, ALSO MENTION THE FOLLOWING] One of my colleagues is also present who will be observing the discussion, and will be helping me with note-taking so I can focus more on our discussion and less on taking notes.
2. This interview will last between 15 to 30 minutes, depending on your responses.
3. As a way of FSRA's appreciation of your participation, FSRA will be providing you with a copy of the executive summary of the results from this research.
4. I should also inform you that this session is being recorded for transcription purposes for accuracy when I write up the report. Rest assured that your responses are confidential, and will not be linked to you or to your organization. All responses will be reported in aggregate only.

II. Participant Introductions (1 minute)

1. So to start us off why do you tell me a bit about yourself and the organization you represent.

III. Warm Up (3 minutes)

1. What is the nature of your relationship with FSRA? How do you typically interact with FSRA? (Probe/context: do you just obtain information about them, get an examination from the regulator, was it through a function, did you have to seek consent for something, or just read information sent to you?) Tell me about your sectors and how does that relate to FSRA?
 - o Alternative question for veterans/higher management level: Looking back to when you first started being a member of the SAC/CAP, what was your

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May 25, 2023

motivation/reason for joining the committee? Since you've joined, do you feel that being on the committee has fulfilled your goals? Do you feel you have made a difference?

- o [Probe for non-new members] How has the nature of your relationship with FSRA changed since you joined the committee? Have your interactions with FSRA changed over the course of your membership? [Were there more interactions with FSRA, less interactions? Do you feel you have a better understanding of the role of the regulator?

IV. Body (13 minutes)

1. How would you describe your overall impression of FSRA? (Positive/negative/neutral? Probe: Why?) Would you say it is living up to its brand promise – protecting consumers, being effective and being trustworthy?
 - o [Probe for members with more the 1-year engagement with FSRA] Has your impression of FSRA changed over the years? Since you have been on the Committee? (Probe: Why/how has it changed?)
2. Thinking of how FSRA interacts with you and with other stakeholders, what do you see as their strengths and weaknesses?
 - o [Probe for non-new members] Have you noticed any improvements since you have been on the committee/panel?
 - o [For new members] So far, since joining the committee/panel, what would you like to see FSRA doing more of?
3. [For new members] Since being a SAC/CAP member, have you had any involvement with management as a SAC/CAP member? [Ask for all non-new members, and new members who said yes on having involvement] How would you characterize your involvement with management as a SAC/CAP member? Would you say it is meaningful? Not meaningful? (Probe: what are the most meaningful parts of those meetings? What did you like? What could be better?)
4. SACs/CAP now meet with the Board once a year, how would you characterize your involvement with the Board? Would you say it is meaningful? Not meaningful? (Probe: what are the most meaningful parts of those meetings? What did you like? What could be better?) Would it be better to focus on a specific topic (deeper dive) rather than talking about several items?
5. Does the SAC/CAP process enable effective engagement?

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May 25, 2023

6. Do you find that FSRA consults on the right materials? Is there too much, too little or the right amount of engagement? Is there sufficient transparency in their processes? Do they give you sufficient time to discuss important issues? Do they encourage feedback? Do you feel they act on or adopt that feedback? Have they communicated back to you what has changed as a result of your feedback?
7. When it was launched, it was FSRA's vision to be a regulator that provides financial safety, fairness and choice for Ontarians. Overall, how well would you say FSRA is doing when it comes to delivering on this vision? (Probe: why do you say that? If low rating, how can FSRA improve? Has FSRA's delivery on this vision changed over the last few years?)
8. FSRA is a young regulator having been launched in June 2019. With respect to reputation, how does FSRA compare to other regulators provincially or nationally? Do you think FSRA is a well-respected organization?
9. Do you have any final advice or suggestions for FSRA that would help it improve its engagement with you or your sector? Was there anything you expected might be covered in this interview that was not?

(MODERATOR TO CHECK WITH CLIENT TEAM FOR ANY LAST QUESTIONS TO ASK PARTICIPANTS).

V. Thanks and Wrap (1 minute)

That brings us to the end of this session. Thank you, once again, for your time and all the valuable information that you have shared. Again, rest assured that all information gathered will remain confidential and will solely be used for this research.

Have a great day/ evening, everyone!

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Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 6(g)

Read Only Items - November 13/23 CAFII Submission to FSRA on “2024-2025 Statement of Priorities and Budget”

Purpose of this Agenda Item—Read Only

To share with the Board CAFII’s November 13/23 submission to FSRA on its “2024-2025 Statement of Priorities and Budget.”

Background Information

CAFII made a November 13/23 submission to FSRA on its “2024-2025 Statement of Priorities and Budget.”

Recommendation / Direction Sought—Read Only

No action required.

Attachments Included with this Agenda Item

One (1) attachment.

13 November, 2023

Mr. Mark White, CEO
Financial Services Regulatory Authority of Ontario
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Toronto, Ontario
M2N 6S6
mark.white@fsrao.ca; and
<https://www.fsrao.ca/engagement-and-consultations/consultation-fsras-proposed-2024-2025-statement-priorities#comment-form-dropdown>

RE: CAFII Feedback on Proposed FY2024-2025 Statement of Priorities

Dear Mr. White:

The Canadian Association of Financial Institutions in Insurance (CAFII) thanks the Financial Services Regulatory Authority of Ontario (FSRA) for the opportunity to provide comments on FSRA's *Proposed FY2024-2025 Statement of Priorities*.

In this submission, we have restricted our comments to those sections of FSRA's *Proposed FY2024-2025 Statement of Priorities* which are germane to CAFII members, i.e., to the Environmental Scan, to the FSRA-Wide Strategic Priorities, to the Life and Health Insurance Sector-specific Priorities, and to FSRA's Proposed Fiscal Year 2024-25 Budget.

We applaud FSRA for its efforts to ensure that the recommendations in the value-for-audit report from the Office of the Auditor General of Ontario are implemented in a timely manner.

We largely agree with FSRA's observations in its environmental scan, in particular, its view of the ongoing impact of inflationary pressures, the cost-of-living struggles many in Ontario are facing, and the challenges around talent acquisition and retention. In 2023, CAFII conducted research with polling firm Pollara which found that Canadians were cutting back on purchases across the board, with one exception—consumers indicated a higher willingness to purchase life insurance than the year prior, possibly pointing to the changes in behaviour that have occurred due to the pandemic.

We agree completely with your assessment that there are unprecedented technological changes occurring within the Canadian economy that carry unclear implications for all sectors. In that regard, at a reception following a CAFII Board meeting on 4 April 2023, CAFII invited a keynote speaker to address these issues. Kartik Sakthivel, Vice President and Chief Information Officer at LIMRA and LOMA, indicated that artificial intelligence, machine learning, and other technological changes had the potential to create transformative change in the life and health insurance industries¹. While we agree with the need to monitor the technological environment to assess potential impacts to consumers, we also note that there is nothing inherent in technology to suggest that the changes we are observing will lead to harm. Technological change can enhance choice, improve products, and strengthen customized solutions for customers. We believe that FSRA's emphasis on the fair treatment of customers is the best approach to ensuring that companies navigate these changes in a way that promotes customer interests.

CAFII is aligned with FSRA's comments on the importance of Diversity, Equity, and Inclusion, and we have initiatives to promote DEI objectives. Specifically, our Association has created a Working Group on DEI to explore ways in which CAFII can promote those important objectives. We also held a webinar on 26 October 2023, with expert consultant Elissa Gurman on "Words Matter" about inclusive language²; several FSRA staff executives attended.

We believe that FSRA's comments on the significant risks that vulnerable persons face are important and need to be the subject of further attention. This is an area of great interest to CAFII members, including how to address the very high levels of Canadians who do not have life or health insurance or who have insufficient life or health insurance coverage. We note that research by LIMRA has shown that over half of Canadians fall into these categories, and the percentage increases at lower income levels.

We continue to feel that FSRA is a consultative, engaged regulator, and an example of this is the important discussions that have taken place through the Life & Health Insurance Sectoral Advisory Committee. We support your strategic framework, including the focus on operating effectively to be a high-performing regulator, the focus on evidence-based and risk-based decisions, the importance of protecting the public interest to enhance trust and confidence in the sectors FSRA regulates, and the emphasis placed on continuing to attract talent to your organization.

We are concerned however that the Ontario government is exploring lowering the minimum consultation period for new rules developed by FSRA to 60 days. CAFII has to consult internally with its members in the development of a submission on a regulatory initiative like the creation of a new rule, and this can be a time-consuming process. Our members are volunteers with the Association who have paid jobs in their organizations, which is another challenge. If the minimum consultation period is reduced to 60 days, this will make it all the more important for FSRA to advise as early as possible of consultations coming down the pipeline, and to possibly engage industry in pre-consultations.

¹ A copy of his presentation can be found on our website at <https://www.cafii.com/an-overarching-presentation-on-important-transformations-occurring-in-the-life-and-health-insurance-space-by-kartik-sakthivel/>.

² A summary of the webinar can be found at <https://www.cafii.com/category/events/>.

In particular, we support the commitment to “strengthen the consumer focus.” We particularly encourage FSRA to engage in conducting research and analysis to respond to trends that impact consumers, as consumers are evolving rapidly in their expectations in response to societal and technological change. Since these are areas of particular focus for CAFII and other industry stakeholders, we are confident that industry can provide some insights and helpful ideas on how to structure such research and on the areas of emerging change. Additionally, we have previously communicated to FSRA our support of the following initiative: *“Implement existing FSRA guidance by building processes to use revenues retained outside of the Consolidated Revenue Fund under the Financial Services Regulatory Authority of Ontario Act, 2016 for educational, research and knowledge or information-enhancement initiatives”* (page 12).

We note in that regard your announcement of October 12, 2023 that you are accepting applications for grant funding: *“The Financial Services Regulatory Authority of Ontario (FSRA) is using the money it collects from enforcement actions to help consumers with financial literacy, financial awareness and the understanding of market trends in the province.”* This has the potential to produce important initiatives around research and consumer financial literacy and we applaud the development of this program.

With respect to the “Enable Innovation” priority, we support FSRA’s continued efforts in this area. The needs of consumers and the industry are changing and challenging the regulatory system faster than current mechanisms can adapt. From CAFII’s view, the deliverables and outcomes specified by FSRA under this priority are appropriate. We continue to believe in the benefits of “regulatory sandboxes” that provide a safe, monitored space within which to test innovative products and services while ensuring consumer protection.

We support FSRA’s commitment to “modernize systems and processes,” and appreciate your statement: *“Enabling data analytics for each of the regulated sectors to empower FSRA policy and supervisory activities”* (page 14). We encourage FSRA to try to collect data through the CCIR Annual Statement of Market Conduct (ASMC) survey, to avoid duplicative and repetitive data collection by various regulators across the country. As part of the modernization process we encourage FSRA to seek a data collection process that makes the data collected comparable across institutions so that it can be analyzed effectively, and reported on and shared in a way that provides insights. We are concerned that the data collected by the ASMC may not be easily analyzed, may be subject to manual analysis, and has resulted in reports that are quite delayed.

We fully support FSRA’s commitment to enhance FSRA’s talent management framework and believe FSRA will face the similar challenges that industry is facing, with changing employee expectations, heightened retirements, a shrinking talent pool, and new societal expectations, including around working remotely. We are encouraged by the high quality of the FSRA executive team and believe that FSRA has, since its inception, recruited exceptionally well.

We are aligned with FSRA’s cross-sectoral priorities of advancing the consumer interest, enabling innovation, and modernizing systems and processes. On the issue of promoting the consumer interest, CAFII was very pleased to hold a webinar on 19 October, 2023, with FSRA EVP Glen Padassery and Chief Consumer Officer Stuart Wilkinson on the Authority’s Consumer Office³.

³ A summary of the webinar as well as a recording of it can be found at <https://www.cafii.com/category/events/>.

With respect to the life and health insurance sector-specific priorities, CAFII supports all efforts to ensure that trust in the life and health insurance sector is protected and efforts are made to promote the consumer interest. We support the efforts by FSRA to ensure that the highest standards of consumer protection remain at the forefront of regulatory efforts. We are also pleased that FSRA's emphasis on resolving issues with some MGA channel companies is specific about that channel and does not reference distribution channels generally. Credit Protection Insurance is distributed mostly through branches of banks and credit unions and it is CAFII's perspective that the industry is performing well, and compliant with regulatory requirements and expectations around the Fair Treatment of Customers. This distribution channel, in our view, should not be caught up in the initiatives around MGAs.

We are pleased that FSRA is playing a leadership role in the International Association of Insurance Supervisors (IAIS). In that connection, Mark White as Chair of IAIS' Market Conduct Working Group recommended Nicholas Herbert-Young of the IAIS and the UK's Financial Conduct Authority (FCA) as a speaker for a CAFII webinar, and we were pleased to have Mr. Herbert-Young as our panelist for a webinar held on 27 April, 2023⁴.

In the past, CAFII has extended kudos to FSRA for adopting *CCIR/CISRO's Guidance: Conduct of Insurance and Fair Treatment of Customers* as the document which outlines FSRA's expectations of industry with respect to FTC, without the need for a separate FSRA Guideline in this area. FSRA has set up a leadership example of supporting national co-ordination and harmonization by adopting the CCIR/CISRO Guidance. In that respect, we note and support FSRA's many references to the fair treatment of consumers in the *Proposed FY2024-2025 Statement of Priorities*; we encourage continued emphasis on such references being consistent with the CCIR/CISRO Guidance to make it clear that a harmonized approach continues to be prioritized.

We appreciate, in connection with the themes elaborated in the FY2024-2025 Statement of Priorities, FSRA's continued commitment to open and transparent communication with regulated entities. In that connection, we are very appreciative of FSRA's offer to let CAFII make a 90-minute presentation at its offices in North York on 15 November, 2023 on our priorities and on the results of some recent research we have conducted. We look forward to that opportunity to continue to share information with FSRA staff executives and to engage in a dialogue with the Authority's team.

With respect to the FSRA's proposed 2024-2025 Budget, we note that it calls for a significant increase in FSRA's revenue, and that the life & health conduct variable revenue line is up by 7.9%, after a prior year increase in 2023-2024 of 9.6%. The inflationary 2023 year has been another very challenging one for the life and health insurance sector, and the industry has made considerable efforts to respond to shifting and heightened consumer needs and expectations in these difficult times. We encourage FSRA to keep in mind those factors, along with the increased compliance costs which inevitably arise from a heightened level of conduct supervision, when considering the imposition of steep fee increases upon the life and health insurance sector.

In closing, we again express CAFII's appreciation for FSRA's continued commitment to open and transparent communication and consultation. We look forward to making further representations of our Association's views on FSRA's *Proposed FY2024-2025 Statement of Priorities* through the Life and Health Insurance Sectoral Advisory Committee's meetings, which CAFII actively participates in.

⁴ A summary of the webinar as well as a recording of it can be found at <https://www.cafii.com/category/events/>.

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 15 members include the insurance arms of Canada's major financial institutions--BMO Insurance, CIBC Insurance, Desjardins Insurance, National Bank Insurance, RBC Insurance, Scotia Insurance, and TD Insurance, along with major industry players Assurant Canada, The Canada Life Assurance Company, Canadian Tire Bank, Chubb Life Insurance Company of Canada, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), Securian Canada, and Valeyo.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 6(h)

Read Only Items - November 17/23 CAFII Submission to CCIR on Type and Nature of Complaints to Be Disclosed Through Annual Statement on Market Conduct (ASMC) via Complaint Report Tool

Purpose of this Agenda Item—Read Only

To share with the Board CAFII's November 17/23 submission to CCIR on the Type and Nature of Complaints to Be Disclosed Through the Annual Statement on Market Conduct (ASMC) via the Complaint Report Tool.

Background Information

CAFII made a November 17/23 submission to CCIR on the Type and Nature of Complaints to Be Disclosed Through the Annual Statement on Market Conduct (ASMC) via the Complaint Report Tool.

Recommendation / Direction Sought—Read Only

No action required.

Attachments Included with this Agenda Item

One (1) attachment.

November 17, 2023

Huston Loke
Chair, Canadian Council of Insurance Regulators
C/O Financial Services Regulatory Authority of Ontario
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M2N 6S6

CC
Raseema Alam, Policy Manager, CCIR
Peter Burston, Director, National Policy Coordination, CCIR
ccir-ccrra@fsrao.ca

Dear Mr. Loke,

The Canadian Association of Financial Institutions in Insurance (CAFII) would like to thank the Canadian Council of Insurance Regulators (CCIR) for the opportunity to respond to your proposed new definition of a complaint and the directly related proposed new approach to the reporting of complaints via CCIR's Annual Statement on Market Conduct (ASMC).

Our first comment is that, while possibly not immediately obvious from a regulator's perspective, these proposals actually constitute a significant change that has major implications for life and health insurers (and their financial institution distributors who support their insurer partners in providing data required for the annual ASMC filing) that result in the proposal representing a very major undertaking.

We believe that thorough, meaningful consultations and dialogue with industry stakeholders lead to better regulatory outcomes. Prior to the recent launch of this current CCIR consultation, there was no dialogue with industry Associations regarding either CCIR's intention to change the definition of a complaint or the changes being contemplated around ASMC's reporting requirements associated with complaints. Having a thorough industry consultation of at least 45 business days (nine weeks), including pre-consultation dialogue, would have been a more efficient and effective way to proceed. This would have provided CAFII, and other industry stakeholders, an opportunity to identify and communicate some of our serious concerns early on in the process.

We appreciate that an extension to the original 19-day consultation was provided, but even with the extension, less than 30 days will have been provided to offer feedback on an initiative that has major resource implications for CAFII members. As an industry association, CAFII requires time to coordinate input, review comments received, and obtain approval from members in diverse organizations in order to ensure the comments it submits accurately reflects the position of its membership.

The new complaints information that CCIR is requesting is not data currently captured by our members. The data that is currently recorded and reported by CAFII's members is based on the prevailing definition of a complaint that is applicable to the insurance industry as reflected in the ASMC since its inception¹. As a result, the insurance industry has developed processes, systems and logs to support the regulatory expectation that are focused on escalated and persistent customer concerns and experiences.

In contrast, the newly proposed approach does not share the same differentiation between first level complaints (complaints resolved at the operational level) and second level complaints (complaints that are escalated). Instead, the proposal identifies new categories which CCIR is proposing to introduce to the ASMC (breach of confidentiality of customer information, illegal activities, ethical misconduct, product design issues, unfair sales practices); these may have been raised by a customer as a first-line complaint and then resolved with the customer without requiring an escalation. Furthermore, confidentiality breaches and illegal activities are situations where a client would lodge or record a particular activity, which is different from a complaint where the client is looking for a solution, settlement or resolution.

First-line complaints that are resolved without escalation are not tracked by most insurers and their financial institution distributor partners. As such, tracking these complaints would require significant resource allocation and investments in new processes, including the introduction of new technology capabilities or significant revisions to existing systems. The required changes to support the revised approach to categorizing, recording and reporting complaints would require approval of a budget plan and dedicating resources to implement this change.

It is worth noting that FCAC introduced similar first line complaint record keeping requirements as part of the requirements under C-86. This represented a substantial effort for the banking sector and was accompanied by extensive consultation and industry engagement. If the CCIR is contemplating a similar approach to complaint records and reporting to what the FCAC has introduced, it is highly recommended that the same approach to engagement and preparation be followed. Additionally, it would also be worth connecting with the FCAC to determine if the outcomes of their changes have produced the desired results and whether the effort and expense on the part of the industry has been worthwhile.

¹ ASMC definitions includes the follow key characteristics: a reproach, identification of a real or potential harm or request for remedial action that persists after being considered and examined at the operational level.

The change request from CCIR is to report on 2024 data. For our bank distributor of insurance members in particular, the fiscal year starts on November 1; and, as such, the 2024 data requested would already need to be tracked and collected. It will be impossible for our members to track 2024 data, even if it is not reported until 2025, given that we have only just learned of the interest of CCIR in these new complaints reporting requirements. Furthermore, given that this information is not currently tracked and will require a potentially significant investment of resources and system changes, the timeline to report this complaints information is unrealistic.

The proposed complaints changes raises questions about the value and necessity of making such investments; and about re-allocating scarce resources away from other Fair Treatment of Customers (FTC) priorities and dedicating them instead to this new regulatory data reporting request. We have not previously heard from CCIR or its members that there is an issue that needs to be addressed around complaints reporting itself, and as such we are not convinced that the information that the CCIR is seeking to better understand is best addressed by changing the current ASMC reporting requirements on complaints.

Furthermore, CCIR is already obtaining a significant volume of information through the ASMC. It is likely less costly and intrusive to introduce changes in terms of how the currently collected data is analyzed in order to extract the information that is being sought in the CCIR's proposal. For example, the number of privacy breaches experienced during the reported period is already being collected by the CCIR, which may result in duplicative reporting if there is an effort to also report breaches where the source of identifying it is a consumer complaint. Additionally, existing complaint reporting data in the ASMC includes the complaint category, the cause for the complaint, and an open text comment field. Information submitted by insurers through the existing tool as currently structured could be leveraged to extract some of the information the CCIR is seeking.

The buckets of information that CCIR is requesting reporting on are sweeping and not defined. Illegal activities, for example, is a very large bucket, and it is unclear exactly what CCIR is expecting member companies to report on, nor is it clear what will or will not fit into this bucket – for example, is the CCIR interested in allegations involving breaches of the Criminal Code of Canada or only breaches of regulatory expectations? Additionally, individuals who report illegal activities or privacy breaches are not triaged through a complaint handling process. These types of allegations are typically quite different from the reproaches and expressions of dissatisfaction of complainants and require different treatment and attention. The same challenge exists for the other categories of complaints identified by the CCIR.

We appreciate the opportunity to communicate our very significant concerns that this is a large project that might not result in the outcomes you seek. We believe that there is benefit to a dialogue with CCIR and industry on understanding the gap in information you are looking to address and whether there might be alternate ways of closing that gap.

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 15 members include the insurance arms of Canada's major financial institutions--BMO Insurance, CIBC Insurance, Desjardins Insurance, National Bank Insurance, RBC Insurance, Scotia Insurance, and TD Insurance, along with major industry players Assurant Canada, The Canada Life Assurance Company, Canadian Tire Bank, Chubb Life Insurance Company of Canada, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), Securian Canada, and Valeyo.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 6(i)

Read Only Items - CAFII Consultation Opportunity Re Ontario Government Proposal to Reduce Minimum Consultation Period for FSRA and OSC Rule-Related Consultations from 90 Days to 60 Days (Submission Deadline: December 4/23)

Purpose of this Agenda Item—Read Only

To inform the Board that CAFII will be making a submission to the Ontario Government in response to its Consultation Proposal to Reduce the Minimum Consultation Period for FSRA and OSC Rule-Related Consultations from 90 Days to 60 Days (Submission Deadline: December 4/23).

Background Information

The Ontario Government recently launched a Consultation Proposal to Reduce the Minimum Consultation Period for FSRA and OSC Rule-Related Consultations from 90 Days to 60 Days.

Recommendation / Direction Sought—Read Only

No action required.

Attachments Included with this Agenda Item

Two (2) attachments.

Act

Proposed amendments to the Securities Act, Commodity Futures Act, and the Financial Services Regulatory Authority of Ontario Act, 2016, that would reduce the minimum consultation period for proposed rules made by the Financial Services Regulatory Authority of Ontario (FSRA) and the Ontario Securities Commission (OSC) from 90 days to 60 days.

Regulation Number(s): n/a

Instrument Type: Act

Bill or Act: Less Red Tape, More Common Sense Act, 2023, Securities Act, Commodity Futures Act, Financial Services Regulatory Authority of Ontario Act, 2016

Summary of Proposal: Currently, following the publication of a proposed rule, the OSC and FSRA are statutorily required to provide 90 days for the public to review and comment on the proposed rule.

As part of the Less Red Tape, More Common Sense Act, 2023, introduced on October 19, 2023 and led by the Ministry of Red Tape Reduction, the Ministry of Finance has proposed legislative amendments to subsection 143.2(4) of the Securities Act, subsection 67(4) of the Commodity Futures Act and subsection 22(4) of the Financial Services Regulatory Authority of Ontario Act, 2016 whereby the statutory minimum consultation period established for receiving feedback on proposed rules made by the OSC and FSRA would be reduced from 90 days to 60 days. While 60 days would be the minimum consultation period, the OSC and FSRA could set out longer consultation periods for consideration of more complex rules.

The proposed amendments would allow reduced consultation time and more timely enactment of simple, straightforward rules to respond to market changes and sector developments. It would provide the OSC and FSRA with the flexibility to streamline the rule development process and reduce regulatory burden, while having the ability to set out longer consultation periods for stakeholder

consideration of more complex rules. This proposal would align with comparable jurisdictions in Canada which have shorter consultation periods of 30 to 60 days, or do not specify a minimum period in legislation.

Analysis of**Regulatory****Impact:**

This proposal is not subject to the Modernizing Ontario for People and Business Act, 2020 and a Regulatory Impact Analysis was not required as it affects the operational rule-making process for FSRA and the OSC and does not impose any regulatory burden or direct compliance costs/impacts.

The proposed amendments align with the theme of making it easier to work with government as regulator-led initiatives, where appropriate, would not be delayed due to a statutory minimum consultation period. The OSC and FSRA would be able to respond more quickly to a rapidly evolving sector development and more effectively fulfil policy objectives such as improving investor and consumer protection, ensuring compliance with securities and financial services laws, and supporting the financial services sector.

Benefit quantification is not possible, as impact/benefits would differ depending on the regulator's discretion in varying the consultation time period for specific rule initiatives. Being able to respond quicker to market changes would help Ontario's financial sector competitiveness and protect investors and consumers more promptly.

**Further
Information:**

 **Bill 139, Less Red Tape, More Common Sense Act, 2023**

Proposal Number:

23-MOF016

Posting Date:

October 19, 2023

**Comments Due
Date:**

December 4, 2023

Contact Address:

Frost Bldg N, 4th Flr, 95 Grosvenor St, Toronto, ON, M7A 1Z1

Comment on this proposal via email

Ontario proposes quicker consultations for OSC, FSRA

Legislative changes would cut minimum comment period to 60 days

By: James Langton | October 20, 2023 | 14:21



antonprado/123RF

James Langton

The Ontario government is proposing to cut the minimum consultation period for regulatory policy proposals from the Ontario Securities Commission (OSC) and the Financial Services Regulatory Authority of Ontario (FSRA).

Under proposed revisions to financial sector legislation, the minimum comment period for rulemaking initiatives would be cut from 90 days to 60 days.

“The proposed amendments would allow reduced consultation time and more timely enactment of simple, straightforward rules to respond to market changes and sector developments,” the government said in a notice detailing the proposed change.

Additionally, it said the reduced time for policy consultations “would provide the OSC and FSRA with the flexibility to streamline the rule development process and reduce regulatory burden, while having the ability to set out longer consultation periods for stakeholder consideration of more complex rules.”

Reducing the minimum comment period would align with other provinces that have shorter minimum periods, or no minimum at all, it also noted.

And it said that shorter consultations would make it easier to work with government, as regulatory initiatives “would not be delayed due to a statutory minimum consultation period.”

As a result, the regulators would also be able to “respond more quickly to a rapidly evolving sector development and more effectively fulfil policy objectives such as improving investor and consumer protection, ensuring compliance with securities and financial services laws, and supporting the financial services sector.”

Faster, more responsive regulation “would help Ontario’s financial sector competitiveness and protect investors and consumers more promptly,” it said.

The latest review of the OSC by Ontario’s Office of the Auditor General flagged the time it takes to bring rulemaking initiatives to fruition — particularly rules involving investor protection — as an issue at the regulator.

“We found that the process of making rules for capital markets is exceedingly slow,” the AG said in its report.

However, it flagged the need to find consensus with the rest of the Canadian Securities Administrators (CSA) as a major factor in slowing down the rulemaking process, and it highlighted government interference with regulatory policymaking as a source of delay too.

Among other things, that report recommended speeding up the process by empowering the OSC to go it alone and adopt rules without CSA agreement if necessary, and increasing the OSC’s focus on “managing risks relating to investor protection.” It also recommended measures to improve transparency around government involvement in rulemaking.

The proposed legislative change is now out for comment until Dec. 4.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 6(j)

Read Only Items - Draft CAFII Submission Letter to FCNB on Lingering Problematic Issues Re Rule INS-001 and Licensing Portal for New Brunswick Restricted Insurance Representative (RIR) Regime

Purpose of this Agenda Item—Read Only

To inform the Board that CAFII plans to draft a Letter to FCNB on Lingering Problematic Issues Re Rule INS-001 and Licensing Portal for New Brunswick Restricted Insurance Representative (RIR) Regime; and to submit it to FCNB before the end of calendar year 2023.

Background Information

CAFII had a regulatory visits tour meeting with New Brunswick Superintendent of Insurance Angela Mazerolle and other FCNB Insurance Division staff executives in Fredericton on September 20/23, during which Ms. Mazerolle indicated that FCNB would be pleased to receive a follow-up written submission from CAFII on the Association's views re Lingering Problematic Issues Re Rule INS-001 and Licensing Portal for New Brunswick Restricted Insurance Representative (RIR) Regime.

Recommendation / Direction Sought—Read Only

No action required.

Attachments Included with this Agenda Item

No attachments – *Briefing Note Only*.

Briefing Note

CAFII Board Meeting, 5 December 2023—Agenda Item 6(k)

Read Only Items - Insights Gained from November 1/23 FCAC In-Person Launch Event for Financial Literacy Month in Ottawa

Purpose of this Agenda Item—Read Only

To inform the Board of Insights Gained from the November 1/23 FCAC In-Person Launch Event for Financial Literacy Month in Ottawa.

Background Information

To inform the Board of the Insights Gained from the November 1/23 FCAC In-Person Launch Event for Financial Literacy Month in Ottawa.

Recommendation / Direction Sought—Read Only

No action is required.

Attachments Included with this Agenda Item

One (1) attachment.

Agenda Item 6 k

December 5/23 Meeting

FCAC's Launch of the Financial Literacy Month – SUMMARY

On November 1/2023, the Financial Consumer Agency of Canada (FCAC) launched their 13th annual Financial Literacy Month. The launch took place in Ottawa at the Bank of Canada's Museum. CAFII's Research Analyst, Robyn Jennings, was able to attend in person, but virtual attendance was available to all CAFII members.

The launch began with a brief speech from the Bank of Canada's (BoC) governor, Tiff Macklem. He expressed that it is the Bank of Canada's job to promote the economic and financial wealth of Canadians, but this cannot be done alone; collaboration is key to achieving financial literacy in Canada. It is for this reason that this month's theme is *Managing Your Money in a Changing World*. Canadians are facing great economic changes, the housing crisis, to name one. Thus, now is a crucial time for Canadians to learn how to manage their money. T. Macklem concluded his speech by explaining that the goal of this month is to empower Canadians to save, manage debt, and learn more about finance so that they can be empowered in the future.

Before the next presenter spoke, the FCAC's moderator noted that a crucial aspect of this month's theme is the importance of financial literacy. Yet are Canadians in agreement? From on-the-ground research and interactions with Canadians in the Country's capital, the BoC found that: Yes, Canadians agree that financial literacy is very important and are eager to learn more. In fact, many of the people interviewed indicated that their financial education had been poor, inadequate, or incomplete, with many learning about money management from a family member, briefly in school, or through personal research.

While learning about finance and money management is daunting as is, it can be especially difficult as a first-generation Canadian. Where should you begin your financial literacy journey? What is a reliable source for financial information? What resources are available, and what languages are they in? Can online information and/or sources even be trusted? These are the kinds of questions that dissuade the average Canadian from learning more about finances. It is for this reason that financial literacy in Canada must be a collaborative commitment between all financial institutions to help Canadians from all walks of life.

After the Governor concluded his speech, FCAC's Commissioner Judith Robertson spoke next. She began her speech by noting how struck she had been by the common theme amongst Canadians that they wished they had begun learning about finances earlier. She summarized what she felt were the key factors of this year's theme - financial literacy education, managing debt, and saving money in a changing world – and echoed that this is, in fact, a collaborative

theme. J. Robertson stressed the need for organizations to work together through the national financial literacy strategy to help Canadians. Consumer protection mandate, regulatory attention, and research are, therefore, deeply important.

J. Robertson went on to talk about FCAC's monthly survey of Canadian financial well-being. She said that these surveys and their findings greatly influence the feedback and guidance FCAC gives to banks. They also influence the next rounds of research, including helping to determine an area and/or topic of interest. J. Robertson concluded her speech by stating that, thanks to the feedback from Canadians, FCAC will be taking steps to ensure Canadians have access to basic banking services.

The next presenter was Marianne Spear, a certified Trainee in Personal insurance. M. Spear's speech was succinct and to-the-point; she immediately stated that, at the moment, the most pressing issue plaguing Canadians is debt. Debt impacts the quality of life, from stress to employment opportunities to lifestyle. Therefore, knowledge of debt and debt management are crucial when it comes to the conversation on financial literacy. M. Spears shared three stories, all of which, while poignant, emphasized the importance and necessity of financial knowledge for Canadians. Each story highlighted that, with proper information and knowledge, Canadians are better equipped to handle the rapidly changing economy to protect themselves and their families. This is also why, as M. Spears notes, access to education cannot be limited because of language or accessibility; institutions must do better to cater to *all* Canadians.

M. Spears stressed exactly why the strategy for financial literacy must be a national responsibility and not solely an individual one; financial literacy (money management, debt, retirement, savings, etc.) impacts all of us individually, which in turn impacts us communally. A financially literate Canada is possible. It is possible if the ecosystem and the individual, as well as the financial institutions, work together to achieve financial literacy.

The next speaker was Rubina Ahmed-Haq. R. Ahmed-Haq is a journalist and has spent 15 years covering personal finance. During this time as a personal finance journalist, R. Ahmed-Haq would ask herself: why should Canadians care about this news? And what is the relevance to or impact on personal finance? She has, therefore, learned alongside Canadians about financial literacy and can speak to the on-the-ground ecosystem that has been previously mentioned. Because, while largely discussed in a theoretical context, this ecosystem exists, and it affects the lives of real Canadians.

Over the last few years, particularly since the beginning of the COVID-19 Pandemic, R. Ahmed-Haq has found that Canadians' top concerns are, in no particular order:

- Housing affordability,
- Mounting debt,
- Inability to save,

- low income regardless of education,
- Increased family costs, and
- Consistent feelings of despair caused by finances limiting lifestyle.

She went on to say that, in order to help mitigate the aforementioned concerns, financial institutions need to focus on the following:

- The current state of financial literacy in Canada and how it can be improved;
- Who needs financial literacy the most and how they can help; and,
- How financial institutions can improve their financial literacy communications in general.

There is good news R. Ahmed-Haq notes; more Canadians now than ever are interested in personal finance and financial literacy. In fact, the last three years have been the most revolutionary as can be seen with the growing importance of digitizing education since things have gone increasingly online. Money lessons, therefore, must go digital.

R. Ahmed-Haq went on to talk about how Canada's ecosystem is changing; more people are curious and engaged. In particular, she has found that young people are hungry for financial information. The caveat, however, is that they want information *quickly*; instead of detailed breakdowns, young people are looking for tips and tricks. While this is wonderful, there are a few major concerns that follow: online misinformation, lecherous digital practices, and unqualified people giving out info. These concerns are not reserved to one group of Canadians, all Canadians, at any age, can fall victim to these.

R. Ahmed-Haq, therefore, asked the crowd: how can we, the financial institutions, help reach people who need financial literacy the most? Echoing M. Spears, R. Ahmed-Haq concluded that we must be able to contact Canadians where they are and in the language they speak. Institutions need to understand that people's backgrounds are fundamentally influential to their financial knowledge and that this is not, in fact, a roadblock to better knowledge; rather, it is merely a part of their journey. Because of this, financial advisors need to know how to give impartial advice. R. Ahmed-Haq recommended financial advisors advise Canadians toward their actual realistic goals. This should also be paired with timing; advisors should be providing consumers with all the information *before* they decide to take on debt. This way, advice will be proactive rather than reactive.

Finally, R. Ahmed-Haq concluded her speech by noting a few things institutions can begin working on immediately:

- Provide info on how to negotiate a higher wage or promotion,
- How to set realistic financial goals,
- The dangers of shopping apps or spending habits,
- Provide more resources for first-time home buyers,

- Talk about the prioritization of parents vs children and how parents can take care of themselves while taking care of their kids, and
- Managing expectations without having to sacrifice individual enjoyment of life.

The final presenter of the launch was Supriya Syal, the deputy commissioner of research, policy and education at the FCAC. S. Syal began by commenting on the overwhelming amount of financial information available online that muddy Canada's financial ecosystem. Because of this, she explained that it is the responsibility of the financial institutions to help Canadians live better, financially literate lives and create an ecosystem that is built around the protection and education of consumers. Institutions must identify and then remove barriers impeding or halting Canadians from living better financial lives. This is what the 2021 national financial literacy strategy called to do.

S. Syal made an important observation that echoes some of the messages previously articulated; institutions must acknowledge gender, racial, economic status, and status gaps when it comes to financial literacy. It is well-established that environment influences individual resilience and mental fortitude. Therefore, increasing financial literacy and education across Canada cannot be simply pushed off onto the individual but falls onto the financial institutions and associations to support Canadians.

The FCAC's Launch of Financial Literacy Month concluded with an acknowledgement that great progress has been made, with incredible support through the adoption and implementation of the national financial literacy measurement plan. The continuation of these collaborative efforts is the goal for the next two and a half years.

Click [here](#) to watch the recording of FCAC's launch of Financial Literacy Month.

Briefing Note

CAFII Board Meeting, 5 December 2023—Agenda Item 6(I)

Read Only Items - Insights Gained from November 16/23 KPMG “Shaping the Future” Insurance Conference

Purpose of this Agenda Item—Read Only

To inform the Board of the insights gained from November 16/23 KPMG “Shaping the Future” Insurance Conference.

Background Information

To inform the Board of the insights gained from November 16/23 KPMG “Shaping the Future” Insurance Conference.

CAFII’s contact at our auditor KPMG, partner Hudson Lopez, offered CAFII three complimentary tickets to the KPMG 2023 Insurance Conference in Toronto, allowing Keith Martin, Shanay Smith, and Robyn Jennings to attend. The webinar included discussions on insurance trends, technology developments, and regulatory challenges, including at OSFI, and due to the implementation challenges of IRFS 17.

Further information about the conference is contained in the November 2023 Regulatory Update, as well as here: <https://kpmg.com/ca/en/home/events/2023/07/kpmgs-2023-insurance-conference.html>.

Recommendation / Direction Sought—Read Only

No action is required.

Attachments Included with this Agenda Item

No attachments – *Briefing Note Only*.

Briefing Note

CAFII Board Meeting, 5 December 2023—Agenda Item 6(m)

Read Only Items - Insights Gained from K. Martin's Participation as Judge in "2023 Insurance Business Canada Awards" and Attendance at November 16/23 Awards Gala Dinner

Purpose of this Agenda Item—Read Only

To inform the Board of the insights Gained from K. Martin's Participation as Judge in the "2023 Insurance Business Canada Awards" and Attendance at November 16/23 Awards Gala Dinner.

Background Information

To inform the Board of the insights Gained from K. Martin's Participation as Judge in "2023 Insurance Business Canada Awards" and Attendance at November 16/23 Awards Gala Dinner.

Keith Martin was a judge at the 2023 Insurance Business Canada Awards held at Liberty Grand in Toronto on November 16, 2023, organized by Insurance Business Canada (IBC) magazine. Keith Martin also presented the award for Life & Health Insurer of the Year, which was won by Desjardins Insurance.

Recommendation / Direction Sought—Read Only

No action is required.

Attachments Included with this Agenda Item

No attachments – *Briefing Note Only*.

Briefing Note

CAFII Board Meeting, 5 December, 2023—Agenda Item 6(n)

Read Only Items - Insights Gained from In-Person/Hybrid Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to FSRA Staff Executives on November 15/23

Purpose of this Agenda Item—Read Only

To inform the Board of the insights gained from CAFII's In-Person/Hybrid Presentation of its 2023 Research Results-Focused PowerPoint Deck to FSRA Staff Executives on November 15/23.

Background Information

CAFII presented its 2023 Research Results-Focused PowerPoint Deck to a group of CAFII-relevant FSRA staff executives in a special purpose in-person/hybrid meeting at its FSRA's North York office on November 15/23.

Recommendation / Direction Sought—Read Only

No action required.

Attachments Included with this Agenda Item

One (1) Attachment.

CAFII November 15, 2023 Update Dialogue With the Financial Services Regulatory Authority of Ontario (FSRA)

*Recent and Upcoming CAFII Initiatives; and New
CAFII Credit Protection Insurance Research
Results and Our Intended Responses*

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

ABOUT CAFII: Who We Are

Non-profit industry Association dedicated to development of an open and flexible insurance marketplace.

Established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels.

ABOUT CAFII: Who We Are

CAFII members offer credit protection insurance (CPI); travel insurance; other types of life and health insurance; and, in some cases, property & casualty insurance across Canada. Credit protection insurance and travel insurance are product lines of primary focus for CAFII as members' common ground.

CAFII members offer insurance through financial institution branches; client contact centres; the internet and other digital channels; direct mail; and, in some cases, agents and brokers (including travel agents for travel insurance).

CAFII's Membership is Comprised of 8 Financial Institution (Bank and Credit Union CPI Distributors) and 7 Insurers / Underwriters of Credit Protection Insurance

Agenda Item 6 n - December 5/23 Board Meeting

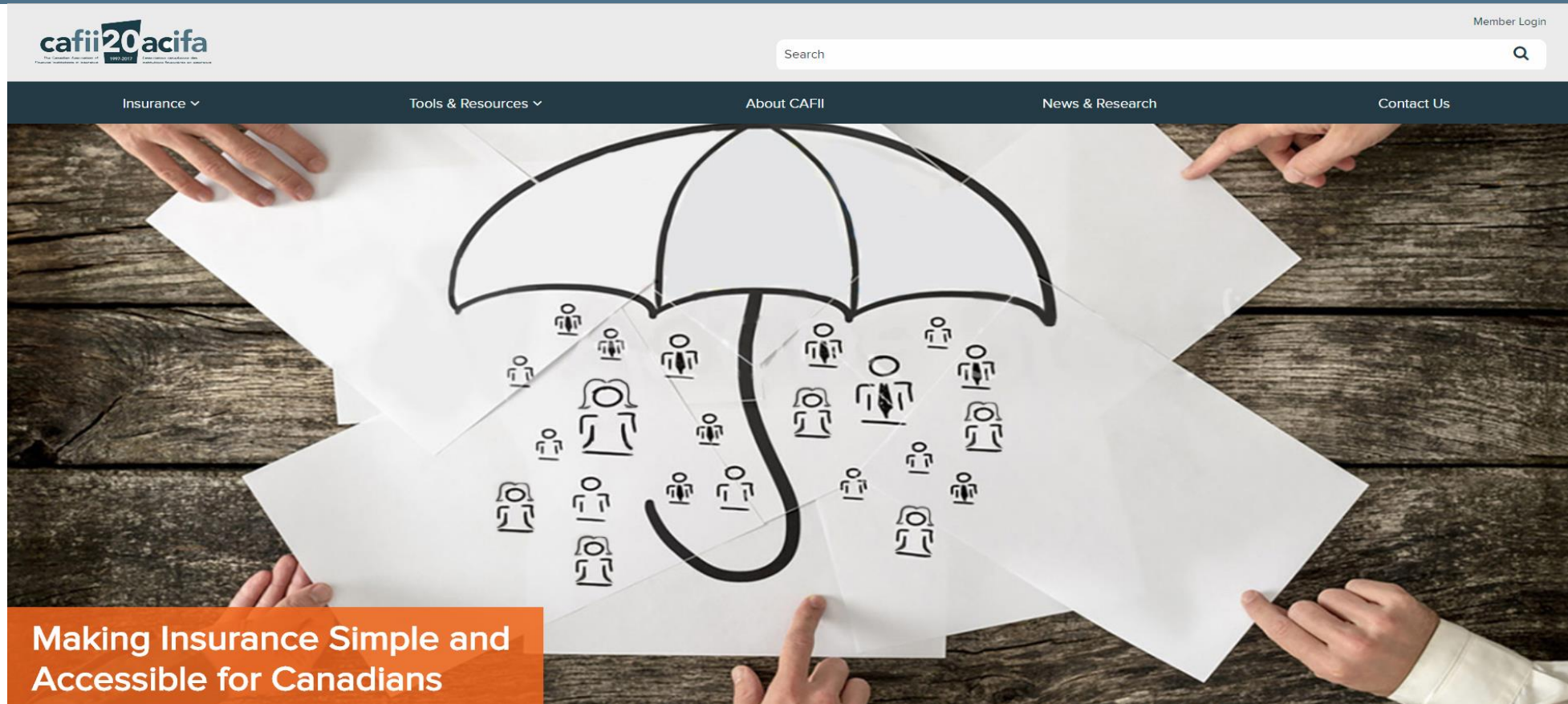
Financial Institutions



Insurers



CAFII Continues to Invest in a Consumer-Friendly Website, Including Videos



Making Insurance Simple and Accessible for Canadians

CAFII Continues to Invest in a Consumer-Friendly Website, Including Vignettes



Anne-Sophie and Mathieu, who have two children, have been approved for a \$250,000 mortgage to purchase a home. Anne-Sophie is the primary income earner, and the family's ability to make their mortgage payments is largely dependent on her income.

Peace of mind and predictability of expenses are important for Anne-Sophie and Mathieu, so they purchase Mortgage Life Insurance for Anne-Sophie, which will pay out the balance of their mortgage (up to the maximum specified in the certificate of insurance) in the event of her death. They like the fact that their premiums will not change over the life of their mortgage, which means that they are not exposed to higher costs for this coverage as Anne-Sophie ages or possibly develops health issues.

They also like the fact that the proceeds of her mortgage life insurance will go directly to pay out the mortgage balance rather than possibly being used to pay other debts. It's important to Anne-Sophie that her family will be able to continue living in their family home, without financial duress.

[See FAQ section for more information](#)

The Website has a Revamped FAQs Section, Bucketing Common Issues, with an Emphasis on Financial Literacy

Frequently Asked Questions About Insurance

Answers to FAQs provide general guidance and customers should always refer to their certificate of insurance and the terms and conditions of their coverage.

All Questions

Credit Protection Insurance

Mortgage Life, Disability & Critical Illness Insurance Coverage

Travel Insurance

Q: What is Credit Protection Insurance?

+

Q: What are the benefits of Credit Protection Insurance?

+

Q: Does Credit Protection Insurance provide good value?

+

Q: What are the benefits of Credit Protection Insurance compared to traditional Term Life Insurance?

+

Q: If I make a claim one day, how can I ensure it will not be denied?














+

CAFII's Website Has Introduced Member-Specific Information on "How to Make a Claim"

How To Make An Insurance Claim

Making A Claim

The credit protection insurance and travel insurance products offered by our members protect you and your family under various circumstances described in your certificate of insurance. If you have questions about your coverage, or would like more information on how to make a claim, please click on the name of the financial institution from which you purchased your insurance, and it will take you

 <p>https://cardbenefits.assurant.com/Creditor_Home <small>* American Bankers Life Assurance Company of Florida, and American Bankers Insurance Company of Florida carry on business in Canada under the name of Assurant ®.</small></p>			
 <p>Mortgage Protection Insurance https://www.bmo.com/main/personal/mortgages/insuring-your-mortgage/ Loans and Lines of Credit Protection Insurance https://www.bmo.com/main/personal/creditor-insurance/line-of-credit-and-loans-insurance/ Credit Card Balance Protection Enhanced https://bmo.assurant.com/en/bmo_home Travel Insurance https://www.allianzassistanceclaims.ca/login</p>	 <p>https://www.cibc.com/en/personal-banking/insurance/creditor.html Optional Travel Insurance https://www.cibc.com/en/personal-banking/insurance/travel/claims.html Embedded Credit Card Travel Insurance https://cibccentre.rsagroup.ca/</p>	 <p>Claims on National Bank Life Insurance Company https://www.nbc-insurance.ca/claims.html Claims on National Bank of Canada https://www.nbc.ca/personal/insurance/claim.html</p>	
	 <p>https://www.cooperators.ca/en/Claims.aspx</p>	 <p>Travel Insurance https://www.rbcinsurance.com/personal-insurance/claims-service.html?view=travel#claims-travel-claim</p>	
 <p>https://www.canadalife.com/Insurance/creditor-insurance.html</p>	 <p>https://www.cumis.com/en/claims/Pages/credit-mortgage.aspx</p>	 <p>https://www.sunlife.ca/en/explore-products/Insurance/affinity-markets/creditor/</p>	
 <p>Creditor Insurance Protection claims including Mortgage, Line of Credit and Credit Cards https://www.scotiabank.com/ca/en/personal/creditor-insurance/make-a-claim0.html Travel Insurance claims https://www.scotiabankfinancial.com/en/homenew/claims/travel-insurance.html</p>	 <p>For getting the forms and documents needed and information on how to submit a claim claim.desjardinslifeinsurance.com/ Secure link to send most of the documents needed for the claim to be analysed www.desjardinslifeinsurance.com/send</p>	 <p>Credit Protection and Travel Insurance claims https://www.tdinsurance.com/claims Balance Protection Insurance claims https://cardbenefits.assurant.com/Creditor_Home</p>	
	 <p>https://manulife.acmtravel.ca/accounts/login/</p>		

CAFII Is Becoming More Proactive In Media Relations and Publicly Sharing Our Perspective



Report outlines the challenges of keeping pace with Canadians' insurance needs

July 2, 2022

Deloitte Canada and the **Canadian Association of Financial Institutions in Insurance (CAFII)** have created a report focused on the evolving insurance needs of Canadians and their changing preferences, alongside an analysis of what it takes to offer best-in-class digital experiences to consumers.

Focused on credit protection insurance (CPI), the research found that collaboration between distributors, underwriters and regulators is needed to create the digital experiences that Canadian consumers have come to expect.



What will it take to offer best in class digital experiences to consumers of CPI?

June 30, 2022

Consumers are adapting well: Keith Martin, CAFII

"The pandemic has and will continue to change the way that people conduct financial transactions in Canada. We are pleased to see consumers are adapting well to their new reality. And our industry's customer satisfaction levels have been up to the challenge," says Keith Martin, Co-Executive Director of the Canadian Association of Financial Institutions in Insurance (CAFII).

The [Canadian Association of Financial Institutions in Insurance](#) is a not-for-profit industry Association. It is 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. These include BMO Insurance; CIBC Insurance; Desjardins Insurance; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Life Insurance.

RBI editor Douglas Blakey speaks with Keith Martin, CAFII



Making Insurance Simple and Accessible for Canadians
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Regulatory Consultations, and Legislative and Regulatory Harmonization

Making Insurance Simple and Accessible for Canadians
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CAFII's Strategic Focus is on Regulatory and Policy-Making Relationship-Building

CAFII's predominant strategic focus and priority is relationship-building and communications with insurance regulators and policy-makers.



Glen Padassery
Executive Vice President, Policy &
A/EVP Auto/Insurance Products

Huston Loke
EVP Market Conduct

Mark White
CEO

Stuart Wilkinson
Chief Consumer Officer

Erica Hiemstra
Head, Insurance Conduct

Swati Agrawal
Director, Market Conduct

Recent CAFII Insurance Policy and Regulation-Related Submissions in Ontario

Date	Regulator/Policy-Maker Audience	Subject/Focus of Submission
December 4, 2023	Ministry of Finance, Government of Ontario	Government of Ontario Consultation on Proposal to Reduce Minimum Consultation Period for FSRA to 60 Days
November 13, 2023	FSRA	FSRA Consultation on FY2024-2025 Statement of Priorities
February 27, 2023	FSRA	FSRA Consultation on “Proposed Rule 2022-001: Assessments and Fees”
May 31, 2023	FSRA	FSRA Consultation on “Proposed Guidance: Administrative Monetary Penalties”

CAFII Has Responded To An Unprecedented Number of Regulatory Consultations in 2022 and 2023

Regulatory Authority	Topic	Date
AMF	Second Consultation on Revised/Updated Draft 2 of “Regulation Respecting Complaint Processing and Dispute Resolution in the Financial Sector”	February 20, 2023
FSRA	FSRA Consultation on “Proposed Rule 2022-001: Assessments and Fees”	February 27, 2023
CISRO	CISRO Consultation on “Draft 2023-2026 Strategic Plan”	April 21, 2023
FSRA	FSRA Consultation on “Proposed Guidance: Administrative Monetary Penalties”	May 31, 2023

CAFII Has Responded To An Unprecedented Number of Regulatory Consultations in 2022 and 2023

Regulatory Authority	Topic	Date	Regulatory Authority	Topic	Date
FCAC	Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks	January 6, 2022	CCIR/CISRO	Proposed “Incentive Management Guidance”	April 4, 2022
AMF	Revised/Updated Sound Commercial Practices Guideline	January 28, 2022	FSRA	“Principles-Based Regulation” consultation document	April 29, 2022
FCNB	“Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations”	February 7, 2022	FSRA	Proposed “Principles of Conduct for Insurance Intermediaries”	May 3, 2022
FSRA	“Information Guidance on complaints resolution”	February 15, 2022	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)
FCNB	Proposed Rule INS-002: Insurance Fees	February 18, 2022			
AMF	Incentive Management Guideline	February 18, 2022	FSRA	Consultation on “Guidance on Use of Retained Revenues under Regulation ‘Money Retained Outside the Consolidated Revenue Fund’	May 31, 2022
BCFSA	“Discussion Paper: Information Security Incident Reporting”	March 1, 2022			

CAFII Has Responded To An Unprecedented Number of Regulatory Consultations in 2022 and 2023

Regulatory Authority	Topic	Date	Regulatory Authority	Topic	Date
OSFI	Consultation on “Culture Risk Management”	May 31, 2022	BC Ministry of Finance	Consultation on Proposed Restricted Insurance Agent (RIA) Licensing Regime in BC	October 3, 2022
Insurance Council of BC	Consultation on “Insurance Council Rules” (which set the licence conditions and requirements for all BC insurance licensees)	June 1, 2022	FSRA	Consultation on FSRA’s 2023-24 Priorities and Budget	November 11, 2022
CISRO	Consultation on Improvements to Life Insurance Replacement Declaration (LIRD) Form	July 8, 2022	BCFSA	Two follow-up questions re alignment and divergences between BCFSA’s “Draft Insurer Code of Market Conduct” and CCIR/CISRO “Guidance: Conduct of Insurance Business and Fair Treatment of Customers”	November 15/22
BCFSA	Draft Insurer Code of Market Conduct and Supplemental Guideline	September 9, 2022			
OSFI	Consultation on Updated Guideline B-10: Third Party Risk Management	September 30, 2022	CCIR	CCIR Draft 2023-2026 Strategic Plan	November 30, 2022

CAFII's Key Insurance Policy and Regulation Areas of Focus Outside of Ontario

CCIR / CISRO Guidance: *Conduct of Insurance Business and Fair Treatment of Customers*—A Top Priority for CAFII Members



In the Spring of 2023 CAFII Visited 7 Regulators and Policy Makers in the four Western Canada Provinces

Ongoing New Rules and Regulations in Quebec, Including Around Complaints and Dispute Resolution, and Privacy



In the Fall of 2023 CAFII Visited all Atlantic Canada Regulatory Authorities

Among topics to Discuss: New Restricted Insurance Representative (RIR) licensing regime launched in New Brunswick in February 2023 (first such regime outside of Western Canada)

Legislative and Regulatory Harmonization is a Key Objective for CAFII



CAFII members have 31 regulators and authorities across the country



Alignment is not harmonization—slightly different regulatory regimes force company resources to have to be utilized on ‘exception management’ rather than on the consumer protection objectives sought



We believe that CCIR and CISRO – as national co-ordinating bodies – can play an enhanced, more aspirational role in promoting and achieving legislative and regulatory harmonization across Canada

CAFI's Regulators and Authorities We Deal With...



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CAFII's Submission On Draft 2023-26 Strategic Plan

Encourages CISRO To Take On A More Aspirational Role Around Harmonization of Restricted Licensing Regimes

Agenda Item 6 n - December 5/23 Board Meeting

All four of those RIA/RIR regimes are aligned in terms of objectives, but they all differ in aspects that are typically of a minor nature; but in some instances the differences constitute more substantive, unique positioning. In an ideal world, CISRO would have been able to play a real-time and impactful harmonization role by facilitating a process through which each successive RIA/RIR regime would have been able to harmonize more fully with its predecessors. In CAFII's view, this is a role and goal which CISRO should strive for, as it would facilitate the exact same consumer protections that each successive RIA/RIR regime province has sought, while at the same time largely eliminating the melange of unique definitions, rules, and requirements among the provincial/territorial licensing authorities.

CISRO's pursuit of either of the two RIA/RIR 'harmonization approaches' recommended above would not compromise provincial/territorial autonomy, as each jurisdiction would still have its own licensing authority, its own governance model, and its own priorities and supervisory plans around audits, monitoring, communication, and enforcement. But each provincial/territorial authority would be operating under the same set of definitions, rules, and regulatory requirements, allowing industry players to focus on meeting the harmonized, common expectations rather than having to engage in the significant "exception management" exercise of allocating resources to understanding, and complying with, subtle differences among jurisdictions.

New Rule Making Authority has Taken Place in Many Regulatory Authorities



BCFSA, FSRA, and FCNB have acquired rule making authority in recent years; the AMF already had it



CAFII has supported regulatory authorities obtaining rule making authority, as it gives them more flexibility, more nimbleness, and provides them with the ability to respond to marketplace developments more quickly



However, the impact of rule-making authority, and its potential for creating different rules in different jurisdictions, is still an evolving element

CAFII Events, Association Developments, and Knowledge Sharing

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CAFII Is Resuming Hosting of In-Person Receptions and Events with Thought Leader Speakers

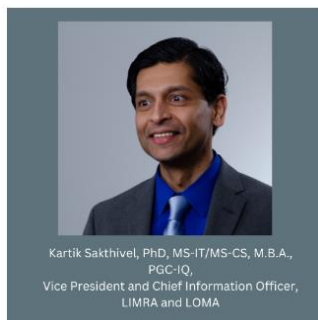


Kartik Sakthivel, Vice President and Chief Information Officer, LIMRA/LOMA, on “An Overarching Presentation on Important Transformations Occurring in the Life and Health Insurance Space,” April 4, 2023



Anthony Ostler, President & CEO of the Canadian Bankers Association, on “The Priorities of the Canadian Bankers Association,” June 6, 2023

CAFII Organizes Regular Webinars to Which Regulators and Policy-Makers From Across Canada are Invited



April 4, 2023

An Overarching Presentation on Important Transformations Occurring in the Life and Health Insurance Space, by Kartik Sakthivel



March 30, 2023

CAFII Webinar: Mental Health Issues in the Workplace with Paula Allen and Nigel Branker



January 26, 2023

CAFII Webinar: A Virtual Fireside Chat with Dallas Ewen and David Elder on 'Privacy'



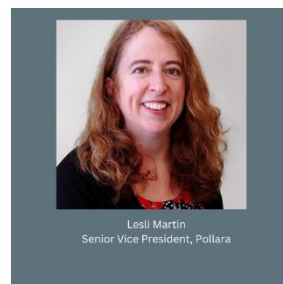
December 1, 2022

CAFII Webinar: A Fireside Chat with Blair Morrison, CEO of the British Columbia Financial Services Authority (BCFSA)



November 3, 2022

CAFII Webinar: Travel Trends and Travel Insurance Implications As Society Emerges From The Covid-19 Pandemic: A Virtual Fireside Chat with Elliott Draga, Sheila Burns, Katia Umutohiwe and David Moorcroft



October 5, 2022

CAFII Webinar: Consumer Preferences and Product Development Insights Emerging From Recent Research In Financial Services and Relevant Comparator Industries



June 29, 2022

CAFII Webinar: Best Practices In The Digitization Of Credit Protection Insurance – Presented By Deloitte



May 3, 2022

CAFII Webinar: 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?

These Webinars are All Recorded and Posted on our Website



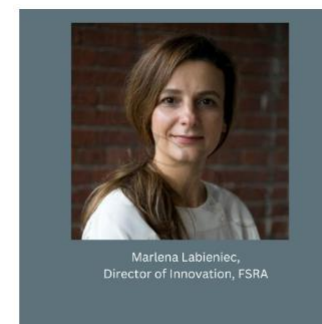
March 7, 2022

CAFII Webinar: A Fireside Chat about Mental Health Issues and Challenges in the Workplace, At Home, and in Society: Coping With The Persistent Pandemic's Impact



January 31, 2022

CAFII Webinar: The Ins and Outs of Life Insurers' Health and Wellness Incentivization Programs



November 29, 2021

CAFII Webinar: A Fireside Chat with Marlena Labrienec, Director of Innovation, Financial Services Regulatory Authority of Ontario (FSRA)



October 25, 2021

CAFII Webinar: Provincial Insurance Policy and Regulatory Priorities and Emerging Issues As Canada Emerges From COVID-19



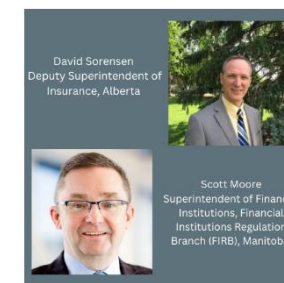
June 4, 2021

CAFII Webinar: Fireside Chat with Joanne Abram, CEO, Alberta Insurance Council; April Stadnek, Director of Compliance & Enforcement, Insurance Councils of Saskatchewan; and Barbara Palace Churchill, Executive Director, Insurance Council of Manitoba, on Restricted Insurance Agent Licensing Regimes in Canada



April 28, 2021

CAFII Webinar: Fireside Chat with Glen Padassery, Executive Vice-President, Policy & Chief Consumer Officer, FSRA



September 29, 2020

CAFII Webinar: COVID 19's Impact On Insurance Regulation Now And Post Pandemic I AB & MB



August 25, 2020

CAFII Webinar: COVID 19's Impact On Insurance Regulation Now And Post Pandemic: Licensing Considerations

Looking Ahead

Making Insurance Simple and Accessible for Canadians
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Technology is Having a Profound Impact on the Insurance Industry

CAFII believes future of life and health insurance industry will be marked by continued innovation and an increase in consumer demand for electronic commerce and other alternate forms of distribution.

Consumers continue to demand greater access to purchasing through digital channels, which will play an increasingly important role in meeting needs of Canadians.



Insurance is “data-hungry” and highly analytical, and new technology tools could be transformative.

Consumer Expectations are Constantly Evolving and Escalating

Consumers' high expectations for technology-based services, convenience, transparency, speed, regular engagement, and a personalized experience that reflects their needs are defining how products and services are delivered.

Their preferences and expectations are a particular challenge and opportunity for the insurance industry.



CAFII Supports Regulations That Embrace Electronic Commerce

CAFII believes regulatory structures should foster a harmonized, flexible, and open marketplace where consumers are able to choose how and where to purchase coverage.

Regulation should embrace the role of all insurance channels in meeting consumers' insurance needs. **COVID-19 dramatically accelerated a trend towards digital means of interacting with customers.**



Canadians are Underinsured and Uninsured

Inadequate coverage

Half of the Canadian population is neither prepared nor protected



50%

In 2019, half of Canadians
did not own life insurance coverage*

*Source: LIMRA Canadian Life Insurance Ownership Study — 2019 Person-Level Report.

This Lack of Insurance Affects the Most Vulnerable Canadians Most

Inadequate coverage

Coverage gaps disproportionately affect lower and middle-income families



49%

Just less than half of husbands earning less than \$35,000 own any life insurance*

45%

Even fewer wives earning less than \$35,000 own any life insurance*

*Source: LIMRA Canadian Life Insurance Ownership Study — 2019 Person-Level Report.

CAFII Members Embrace and Prioritize Fair Treatment of Consumers



GUIDANCE: CONDUCT OF INSURANCE BUSINESS AND FAIR TREATMENT OF CUSTOMERS

CAFII shares regulators' objective of ensuring consumers are well-protected while also having the ability to purchase products through their channel of choice.

In an insurance industry context, it's important to note that part of the overall objective of FTC is to ensure insurers can provide support and meet consumers' expectations throughout the user experience.

CAFII Members Embed Proper Sales Practices in Processes



Training is important to ensure proper knowledge and competency



But to supplement training, CAFII members embed proper sales practices in processes—so that representatives are prompted to ensure proper disclosure, and scripted to ensure proper communications



This is reinforced with rigorous controls and monitoring of these controls

Promoting and Supporting Diversity, Equity and Inclusion (DEI) – in Member Companies' Representation and Participation in Our Association – Has Become A New Key Objective for CAFII

Agenda Item 6 n - December 5/23 Board Meeting



CAFII members all have DEI initiatives



CAFII wants to align with the priorities of its members and ensure DEI objectives are a key consideration



This includes ensuring that volunteer leadership pipelines at CAFII take into account DEI

CAFII has created a new DEI Working Group to develop recommendations to our Board of Directors

CAFII Will Have a New Management Structure Beginning in 2024



Brendan Wycks, after 11 years at CAFII, is retiring at the end of 2023



New CAFII Credit Protection Insurance Research Results and Our Intended Responses

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CAFI's Value-Added Industry Research

CAFI adds value to consultative relationships and ongoing dialogue with regulators and policy-makers through research, including commissioning and sharing the results of independent, third-party research on important insurance-related topics.

CAFII commissioned two studies during the COVID-19 pandemic on digital interaction with customers.



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CAFII-Pollara Research on Credit Protection Insurance, Mortgages and HELOCs—Tracking Study



CAFII first commissioned a study on the views of holders of credit protection insurance products in the fall of 2018



We repeated the study in November, 2022



While some things changed in the four years, there was a remarkable consistency among most dimensions in the views of CPI consumers

CAFII-Pollara Research on Credit Protection Insurance, Mortgages and HELOCs—November 2022—Key Findings

Key Takeaways

A strong majority of Canadians who own credit protection insurance (CPI) believe that these products are an affordable, convenient and effective way of protecting themselves and their families in case of certain unexpected events

In addition, most CPI holders do not know what they would do without it should something happen to them and/or their family, further illustrating the importance of these products

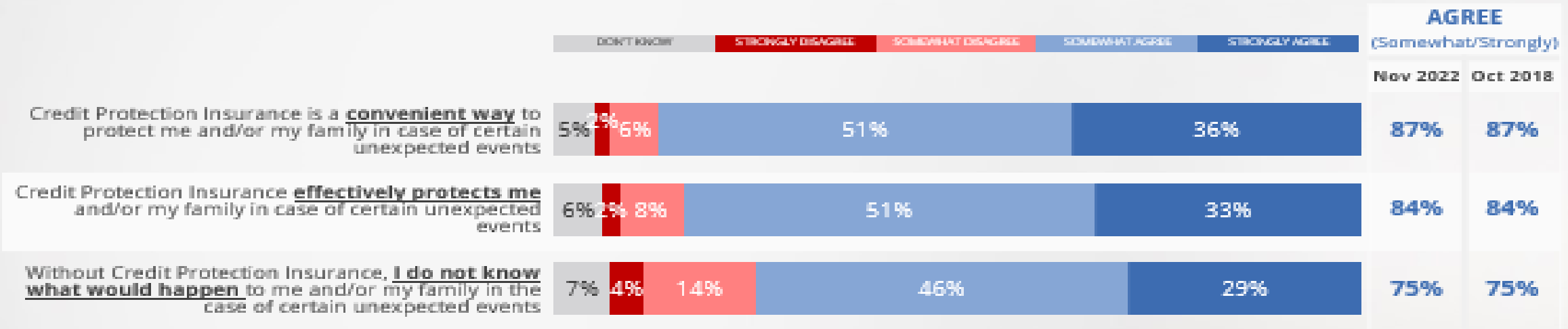
CPI holders are highly satisfied with the purchase process overall and are confident in their knowledge of these products (i.e. payout amounts and policy terms)

Consumers since the pandemic are using both in-person and online means to communicate with their financial institutions

CPI holders' expectations of claim payouts are being met by the industry

This indicates that the industry is effective at educating its consumers, open and transparent with consumers at the time of purchase, and consistently delivers on its promises

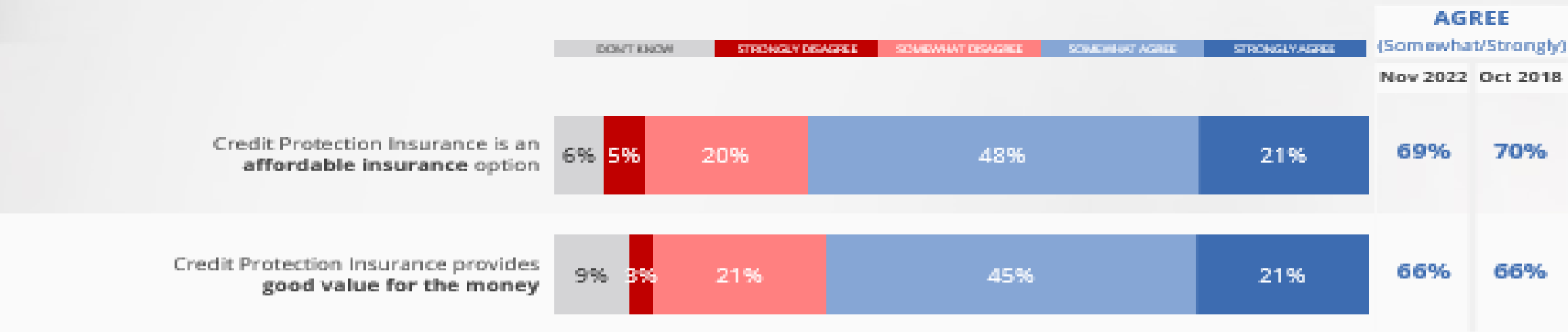
A Majority of CPI Holders Continue to Feel Credit Protection Insurance is a Convenient and Effective Way to Protect Against an Unforeseen Income-Compromising Occurrence



AB2. To what extent do you agree or disagree with each of the following statements about the Credit Protection Insurance for your mortgage/HELOC?
Base: Combined Mortgage / HELOC CPI Holder (N=1001), Oct 2018 (N=1003)

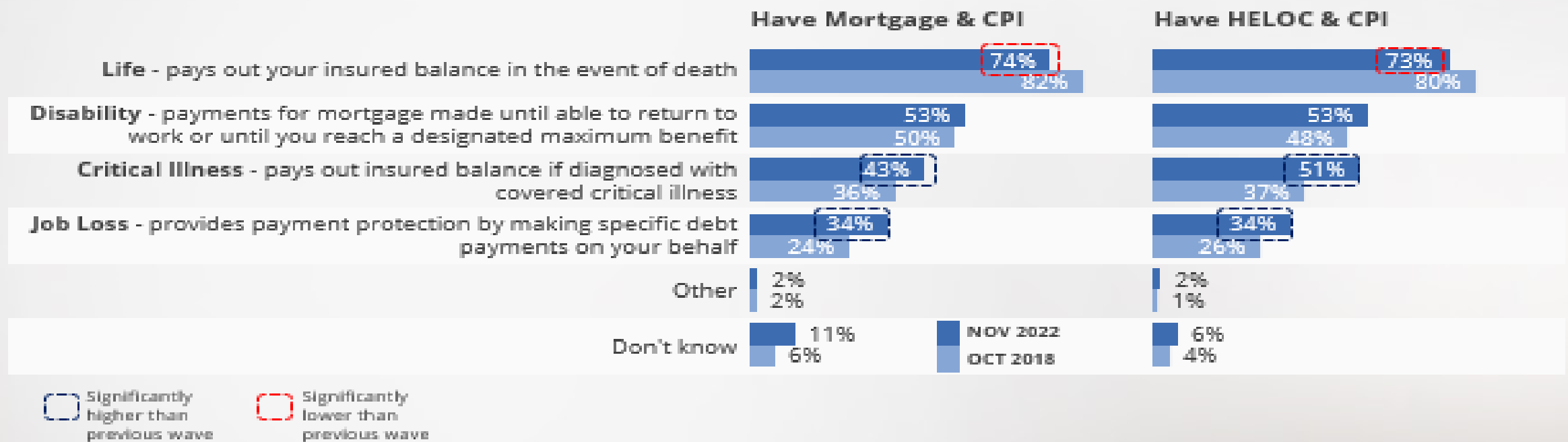
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Pollara Reports That Consumers of All Products Always Feel They are Too Expensive—These Results are Consistent with Findings in Other Industries Including Regulated Industries



Q AB2. To what extent do you agree or disagree with each of the following statements about the Credit Protection Insurance for your mortgage/HELOC?
Base: Combined Mortgage / HELOC CPI Holder (N=1001), Oct 2018 (N=1003)

Life Insurance Is Still the Most Chosen CPI Coverage, But Interest in Other Types is Growing



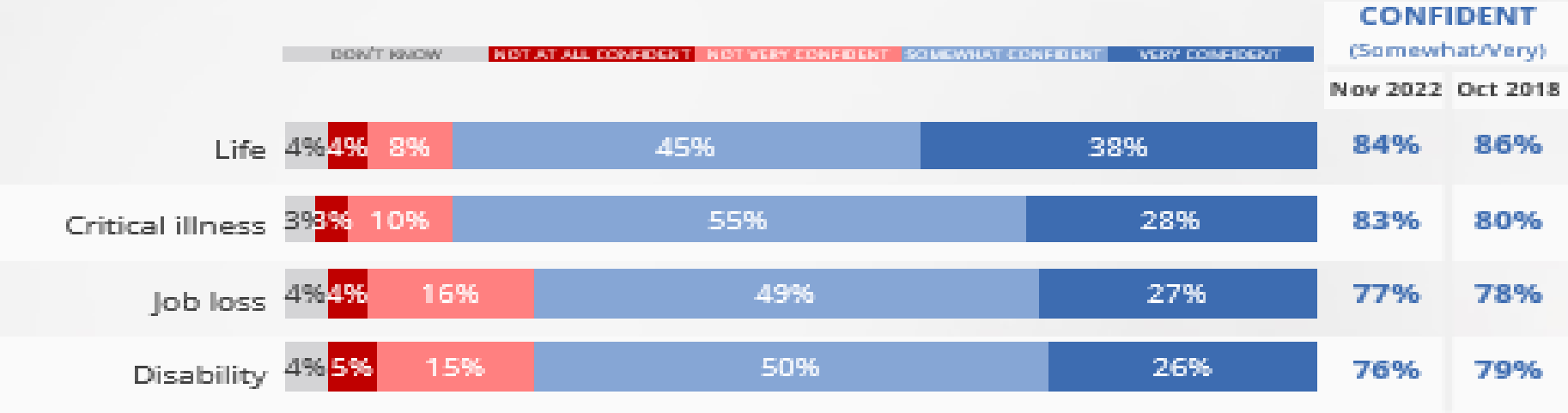
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Q3/Q6. And what does the Credit Protection Insurance cover you for? Base: Have Mortgage & CPI (N=783), Oct 2018 (N=775); Have HELOC & CPI (N=430), Oct 2018 (N=485)

Overall, a Large Majority of CPI Holders are Confident that They Understand What Their Benefits Would Pay in the Event of a Claim



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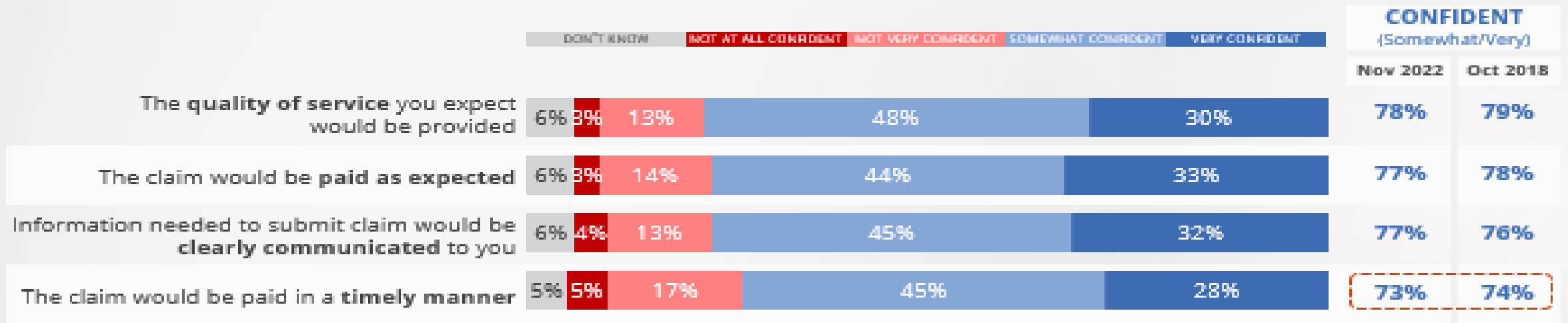
A/B7. How confident are you that you know how much of your mortgage/ HELOC will be paid with each of the types of coverage that you have? Please indicate your level of confidence for each.
Base: Combined Mortgage / HELOC CPI Holder / CPI Covers You . Base: Life (N=738/828), Critical illness (N=399/349), Job Loss (N=303/238), Disability (N=462/451)

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More Than Three-Quarters are Confident in CPI in the Event of a Claim



Significantly higher than other statements

Significantly lower than other statements

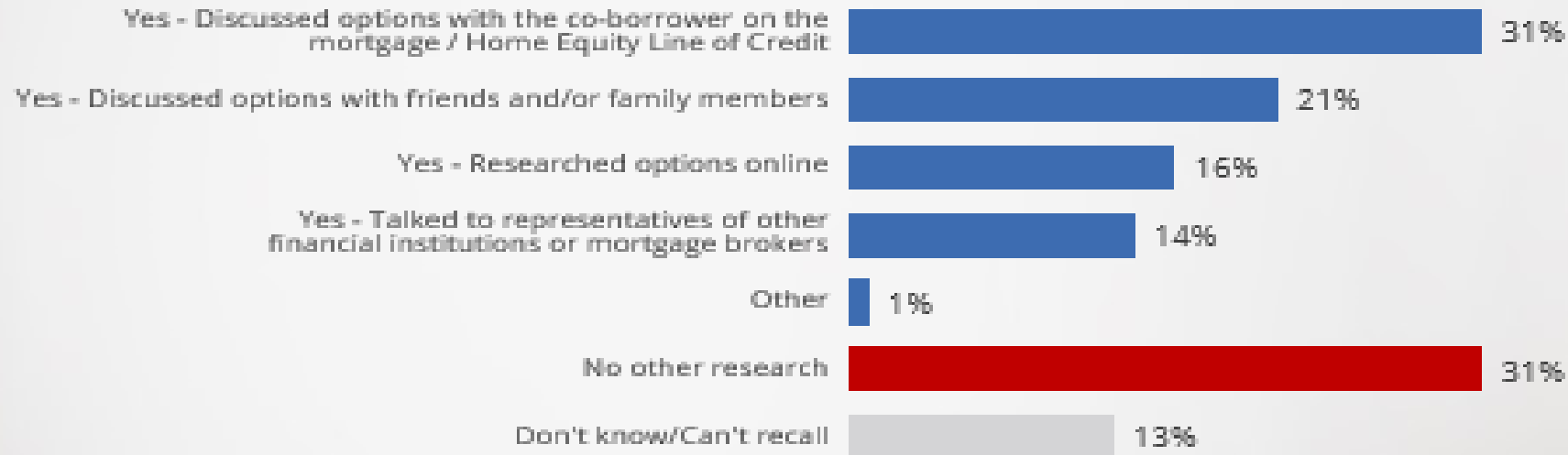


A/B1. For the next few questions, please consider the Credit Protection Insurance you have on your mortgage/ HELOC. Thinking of this insurance, in general, how confident are you that in the event of a claim ... ? Base: Combined Mortgage / HELOC CPI Holder (N=1001), Oct 2018 (N=1003)

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More Than Half Sought Information About CPI From Sources Other Than Their Financial Institution

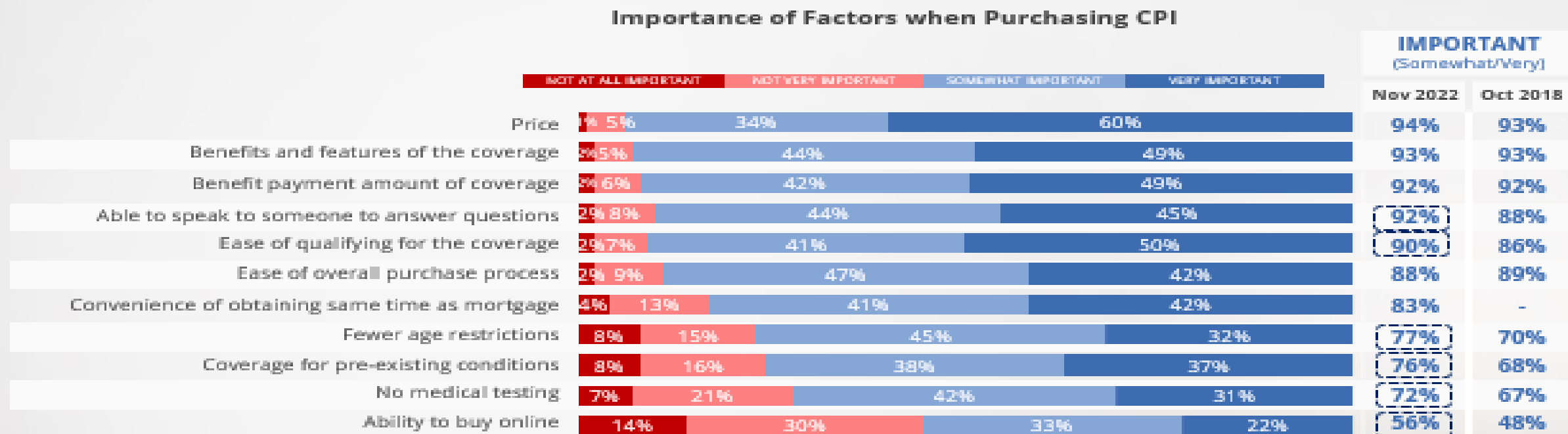
CPI Research or Discussions



A/B5. Aside from talking to a representative of the financial institution, did you discuss or do additional research on the Credit Protection Insurance options that were available?
 Base: Combined Mortgage / HELOC CPI Holder (N= 1001), Oct 2018 (N=1003)

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Other Factors Beyond Price, Benefits, and Coverage Are Gaining Importance



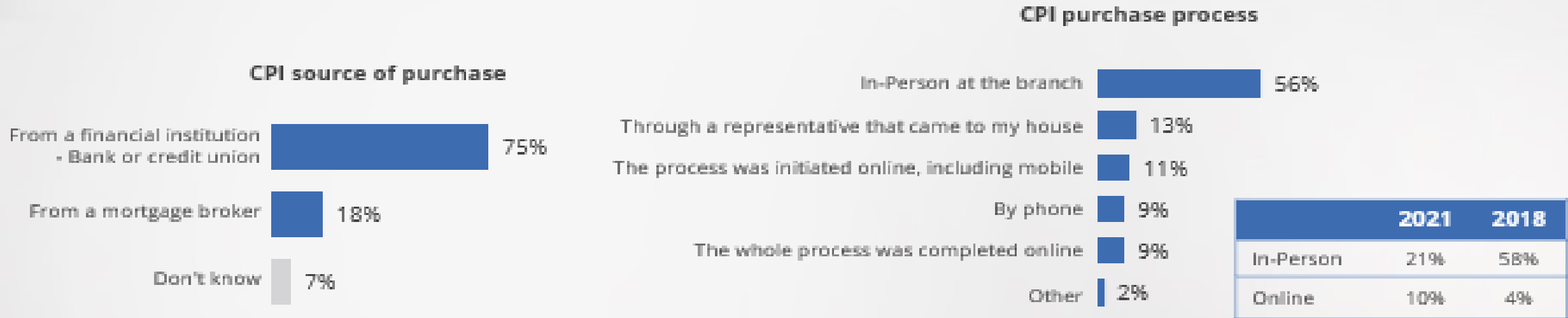
A/B9. When you researched and/or purchased Credit Protection Insurance for your mortgage/ HELOC, how important were the following factors?
 Base: Combined Mortgage / HELOC CPI Holder (N=1001), Oct 2018 (N=1003)

Significantly higher than previous wave

Significantly lower than previous wave

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In-Person CPI Purchases Have Returned to Pre-Pandemic Levels



BASE: Mortgage Credit Protection / HELOC Insurance Holders (N=1001)

AVB10A: The following questions are in regard to your experience purchasing your Credit Protection Insurance for your mortgage / Home Equity Line of Credit.

From whom did you purchase your credit protection insurance?

AVB10B: How did you complete the purchase of your Credit Protection Insurance?

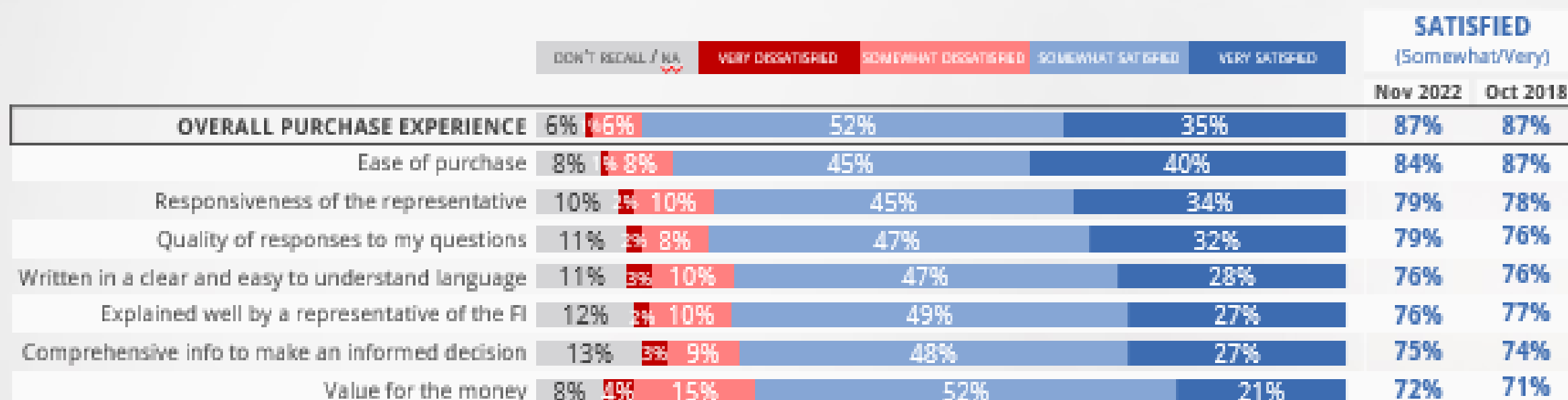
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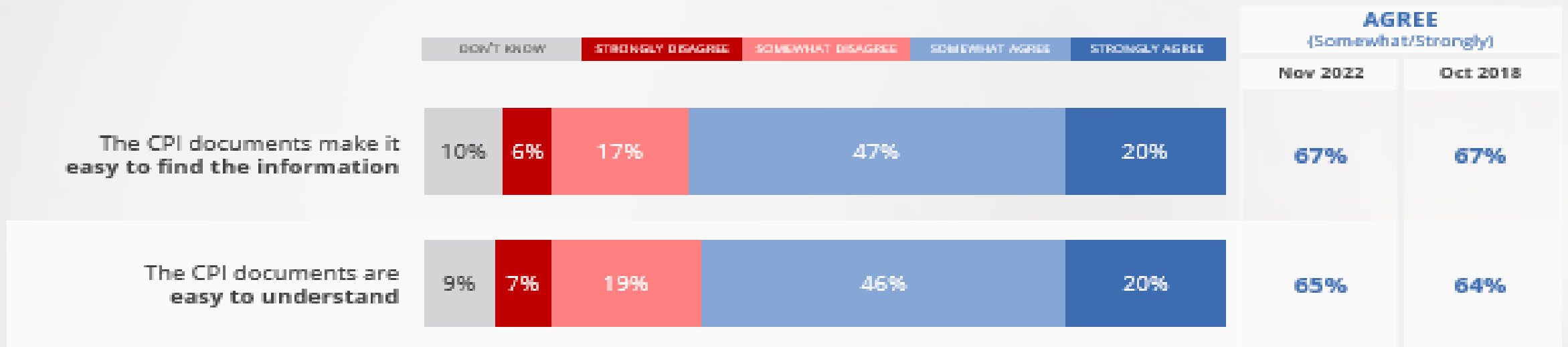
Purchase Experience Satisfaction Levels Remain High



Q A/BT1: Overall, how would you rate your level of satisfaction with the purchase experience, when you purchased your Credit Protection Insurance for your mortgage/ HELOC? A/BT2: More specifically, how satisfied were you with the following elements of the purchase process? Base: Combined Mortgage / HELOC CPI Holder (N=1001), Oct 2018 (N=1003)

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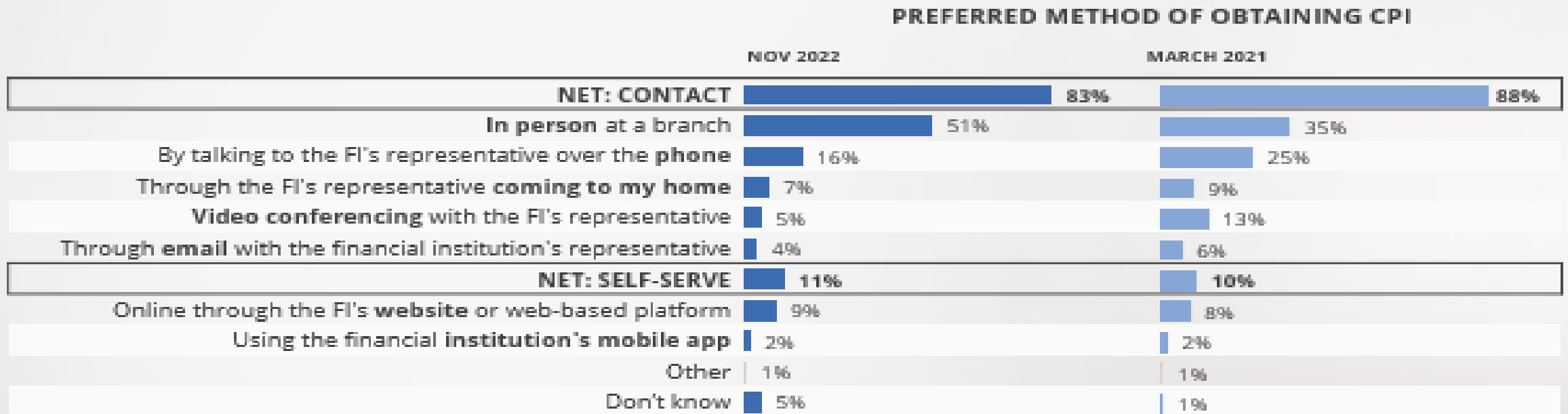
Consumer Comprehension of CPI Documentation Remains Good but Not Great, and is an Area for Improvement



Q A/B8. To what extent do you agree or disagree with each of the following statements about the documents which outline your Credit Protection Insurance for your mortgage/ HELOC.
Base: Combined Mortgage / HELOC CPI Holder (N=1001), Oct 2018 (N=1003)

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In-Person Purchases of CPI Gaining, but Other Channels Remain Important

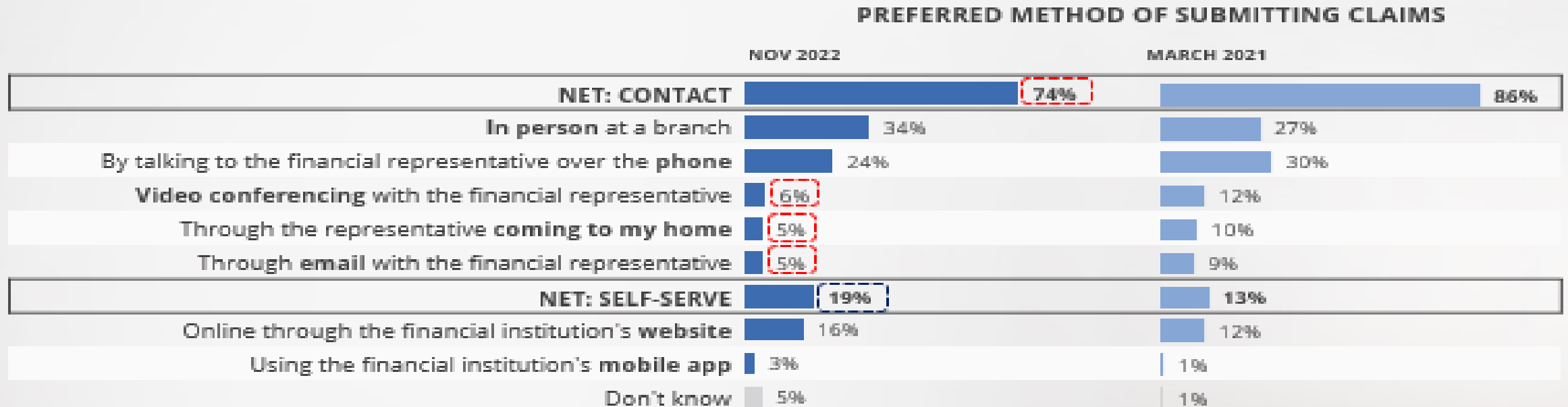



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A/BT3. If you were obtaining credit protection insurance now, how would you like to apply for the insurance? Base: (N=1001), CPI holders Mar 2021 (N=197)

Fewer CPI Holders Desire Contact (Versus Self-Serve) When Making a Claim



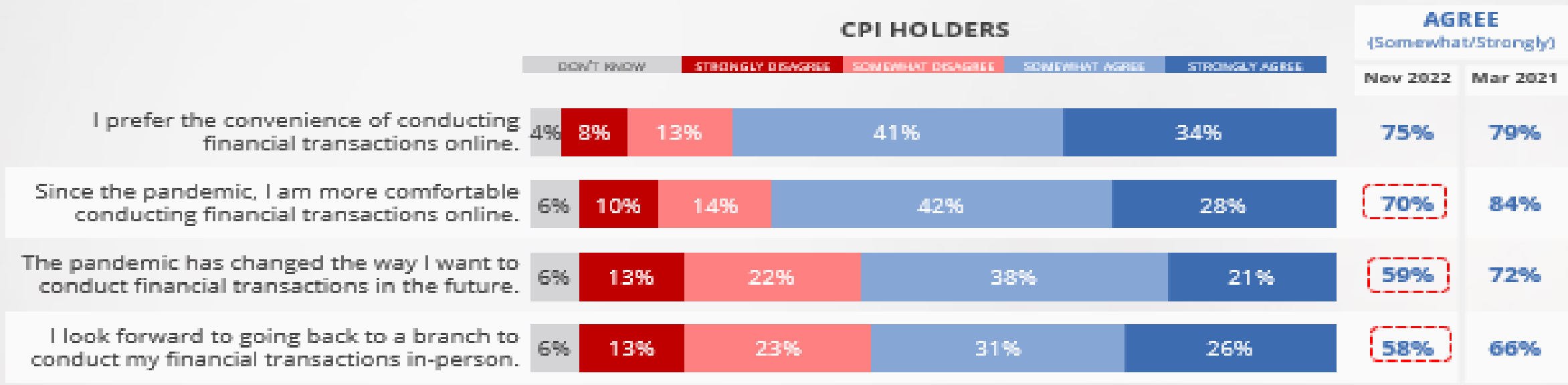
 Significantly higher than previous wave

 Significantly lower than previous wave

Q A/B14: If you needed to submit a claim on your credit protection insurance now, how would you prefer to do this? BASE: Mortgage Credit Protection / HELDC Insurance Holders (N=1001) Oct 2018; C10: Once the Covid-19 pandemic in Canada is over, how would you prefer to submit a claim on your credit protection insurance? Base: Those with CPI (N=197)

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While Digital Means Remain an Important Method of Communicating with FIs, Consumers Are Also Returning to In-Person Communication

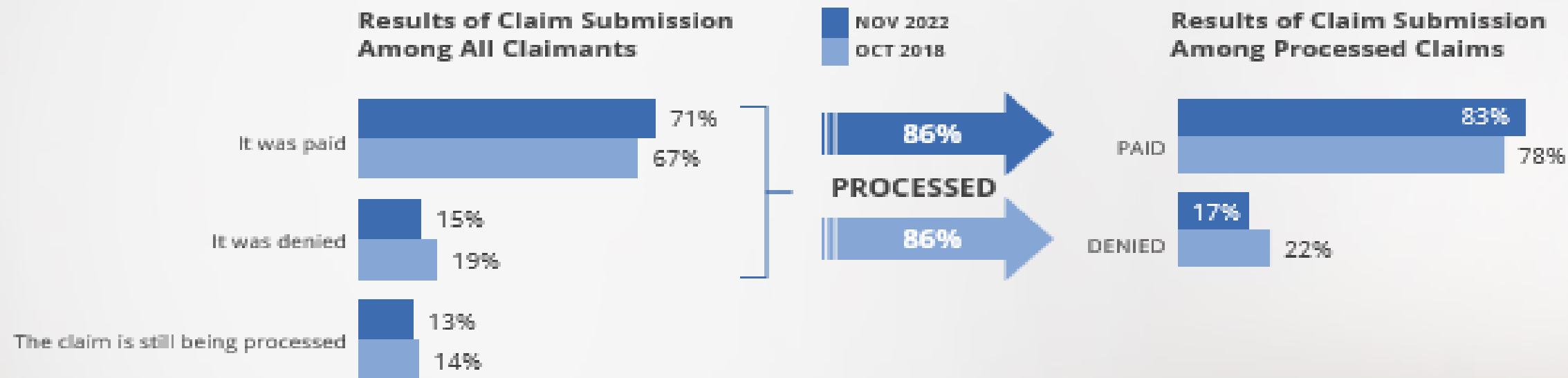


 Significantly higher than previous wave  Significantly lower than previous wave

Q A/B/T5. To what extent do you agree or disagree with the following statements about conducting financial transactions since the start of the COVID-19 pandemic?
Base: Mortgage Credit Protection / HELDC Insurance Holders (N=1001); Oct 2018 CPI Holders (N=197)

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More Than 8 in 10 Processed Claims Were Paid



Q D3. What was the result of your claim submission? Base: CPI Claim (n=375), Oct 2018 (N=286)
Base: CPI Claim Processed (N=244)

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High Percentage of Claims Resulted in Benefit Payout, Regardless of Claim Type



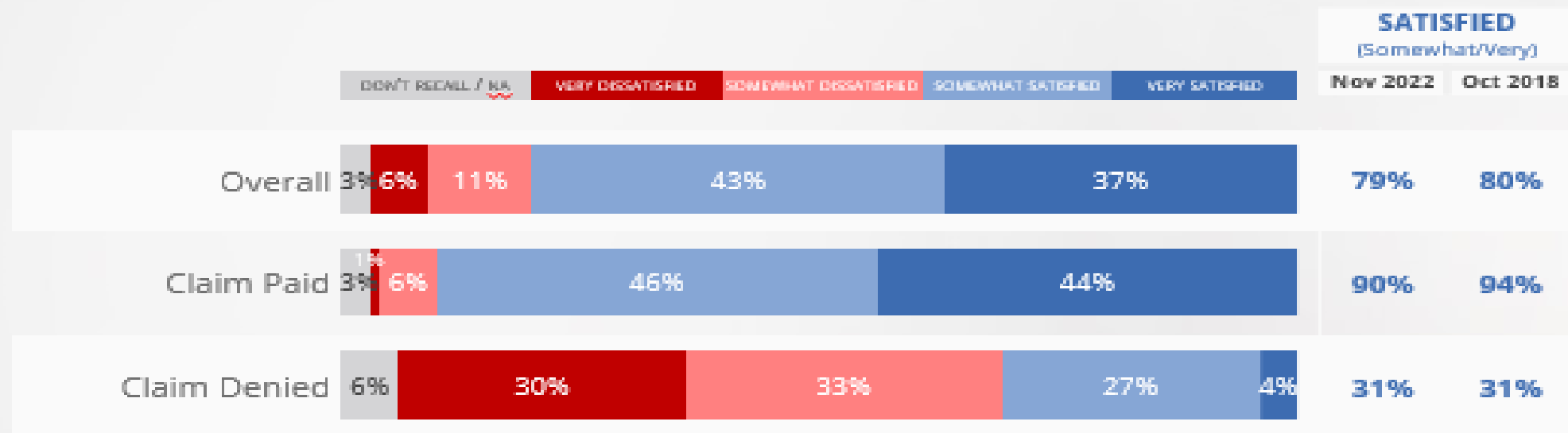
CAFII members report 92% of CPI Life claims were paid in 2021, similar to this study's findings.

Q2: What type of claim was made? Base: Claimants (N=379)
Q3: What was the result of your claim submission? Base: Those who's claims were processed

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Eight in Ten Are Satisfied Are Satisfied with Claims Experience



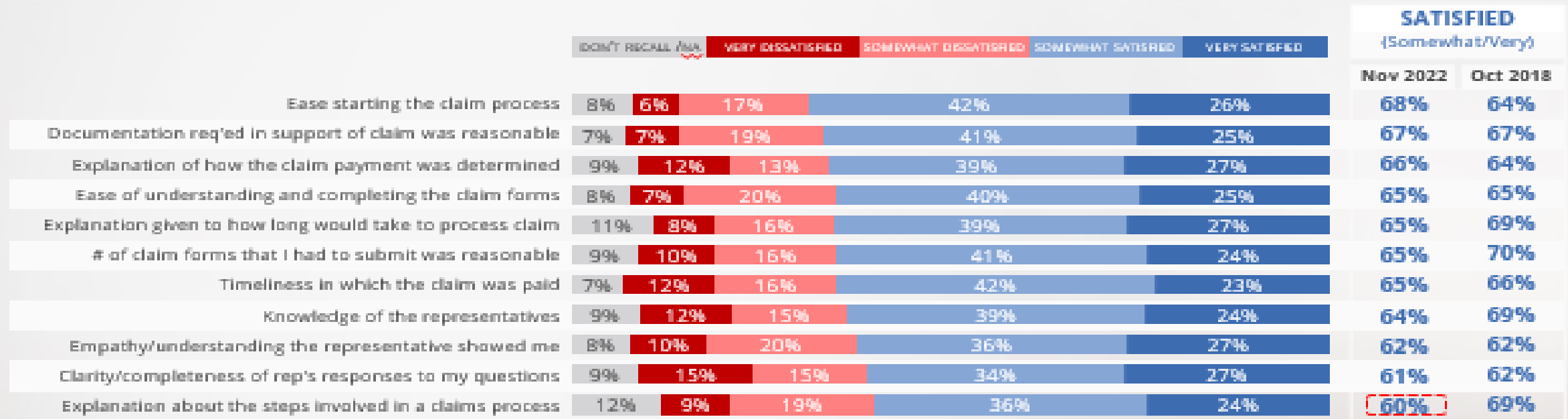
Q4. Thinking back about the entire claim experience, from the initial contact to the final outcome, how would you rate your satisfaction with the overall experience?

Base: CPI Claim/ Claim Resolved (N=322)(N=244); Claim Paid (N=263)(N=194); Claim Denied (N=59)(N=50)

Strategic Insights

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Claimants Generally Understand the Various Components of the Claims Process

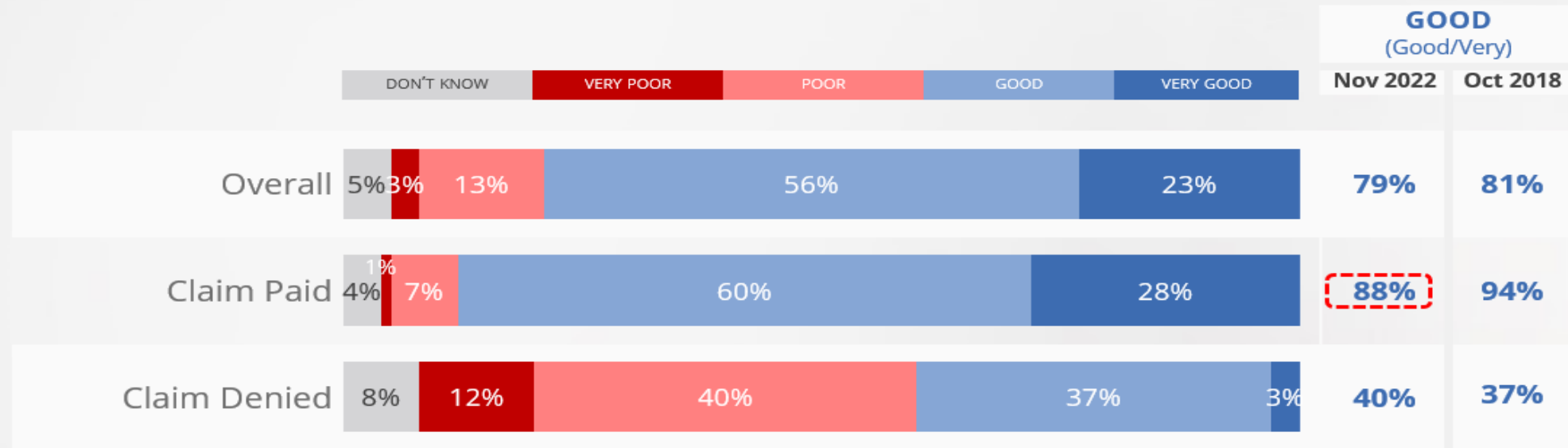


Q5. And how satisfied were you with each of the following factors involved in this claim? Base: CPI Claim/ Claim Resolved (N=322), Oct 2018 (N=244)

Strategic Insights

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Explanation Provided by the Insurer Was Good/Very Good for Almost all those Whose Claim Was Paid Out



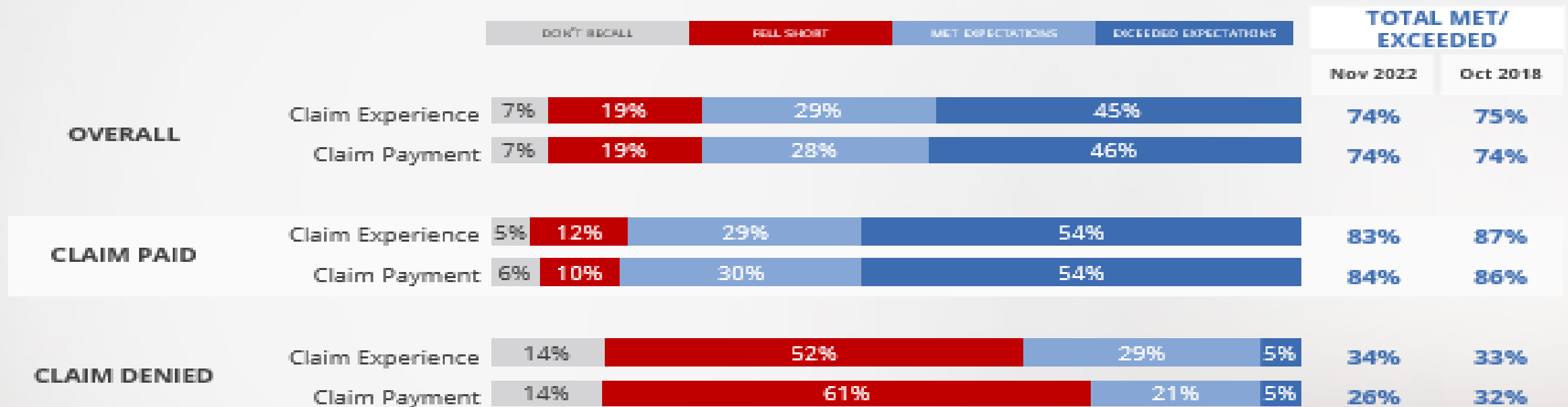
Significantly higher than previous wave

Significantly lower than previous wave

Q D6. How would you rate the clarity of explanation your insurer gave you about your claim payment/ claim denial?
 Base: CPI Claim/ Claim Resolved (N=322)/(N=244); Claim Paid (N=263)/(N=194); Claim Denied (N=59)/(N=50)

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Expectations were Met for Those Whose Claim Was Paid, but Not for Those Who Were Not Paid



D7: Would you say that the claim payment met, exceeded, or fell short of your expectations?
 D8: Overall, would you say that the claim experience met, exceeded, or fell short of your expectations?
 Base: CPI Claim/ Claim Resolved (N=322)(N=244); Claim Paid (N=263)(N=194); Claim Denied (N=59)(N=50)

Strategic Insights

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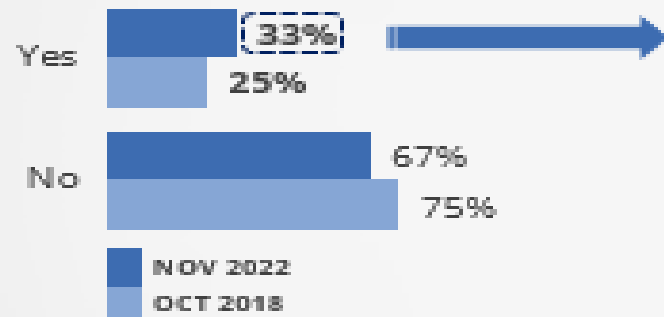
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Complaints Made During Claims Process Up in 2022 Compared to 2018

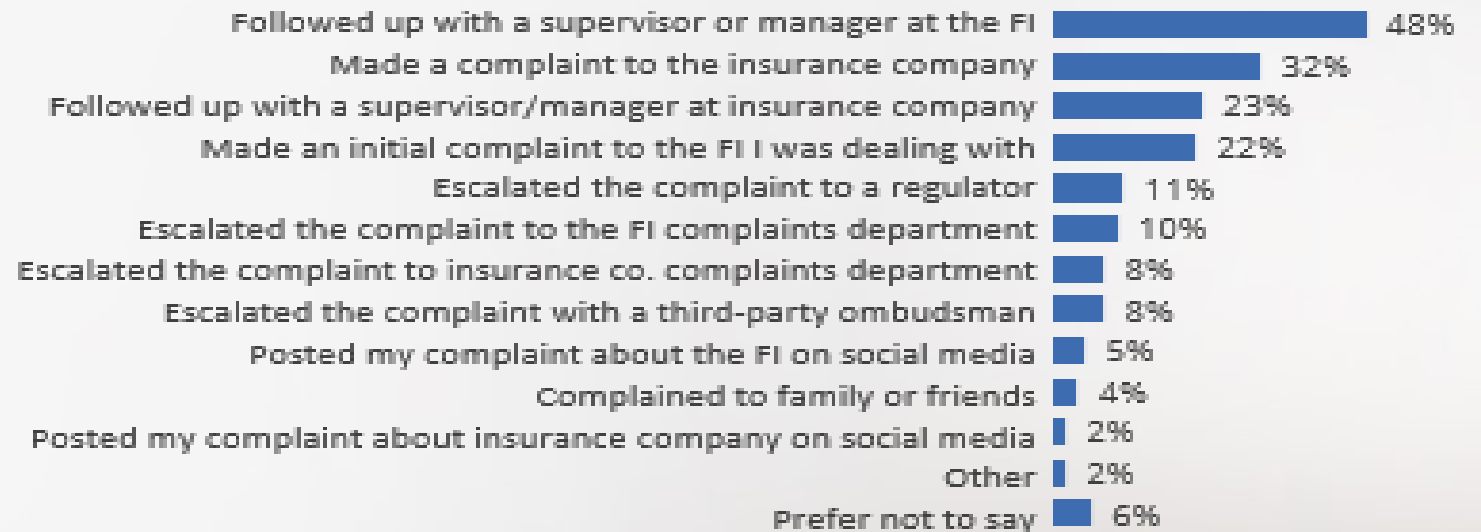
How Complaint was Made

Made a Complaint During Claim Process



Significantly higher than previous wave

Significantly lower than previous wave



D9. Did you make a complaint about your claim at any point during or after the claim process? Base: CPI Claim/ Claim Resolved (N=379)/(N=244)
D10. How did you make this complaint? Base: CPI Claim/ Made Complaint (N=103)/(N=53)

Strategic Insights

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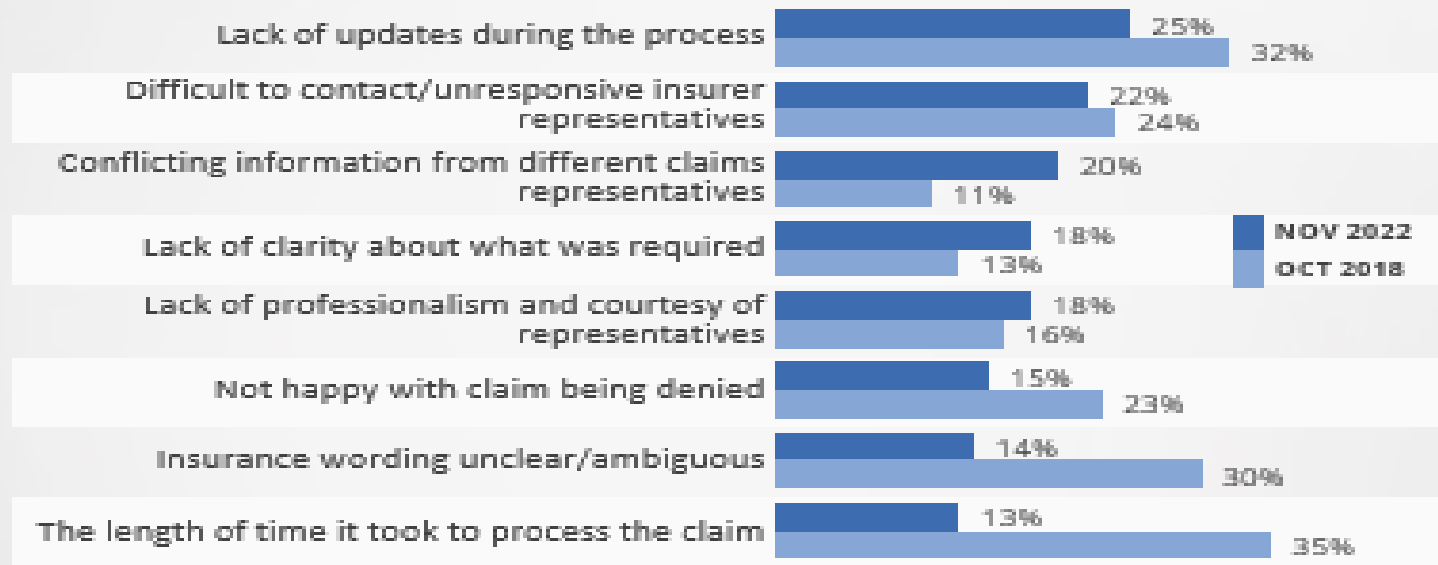
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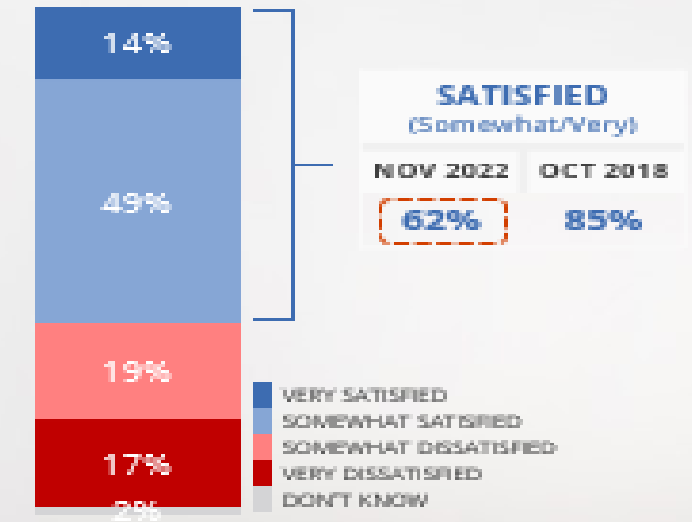
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Satisfaction with How the Complaint Was Handled Has Declined in 2022 from 2018

Reason for Complaint



Satisfaction with Handling of Complaint



Significantly higher than previous wave
Significantly lower than previous wave

pollara strategic insights



D11. What was the major reason(s) for your complaint?
D12. Were you satisfied with how the complaint was handled?
Base: CP/ Claim/ Made Complaint (N=103)/(N=53) *small base

CAFII Conducts Such Research Studies to Understand CPI Customers' Views – And Where Members Should Invest to Make Improvements and Elevate Customer Satisfaction



The claims complaints results have been shared with all CAFII members



CAFII members all have internal groups working on understanding these results and responding to them



Continued monitoring of performance around complaints around claims will continue at CAFII

Context—Much Has Changed since the Original Tracking Study in 2018



There was an actual degradation after March 2020 for a period in customer service performance, as companies adapted to digital delivery and work-from-home requirements—which would have produced more complaints



The pandemic would have resulted in more ineligible claims, especially for job loss insurance—which would not be paid out, leading to more complaints



Pollara reports that complaints have increased across all sectors, including regulated industries, and the complaints are more emotional—people are more stressed than ever

Context—The Customer Complaint Environment has Changed



Enhancements to company claims processes, and regulatory requirements, have made it easier to complain



Customers rightly have increased service delivery expectations and compare their experience to Amazon

Bottom Line—CAFII and its Members are Committed to Understanding and Responding to these Findings

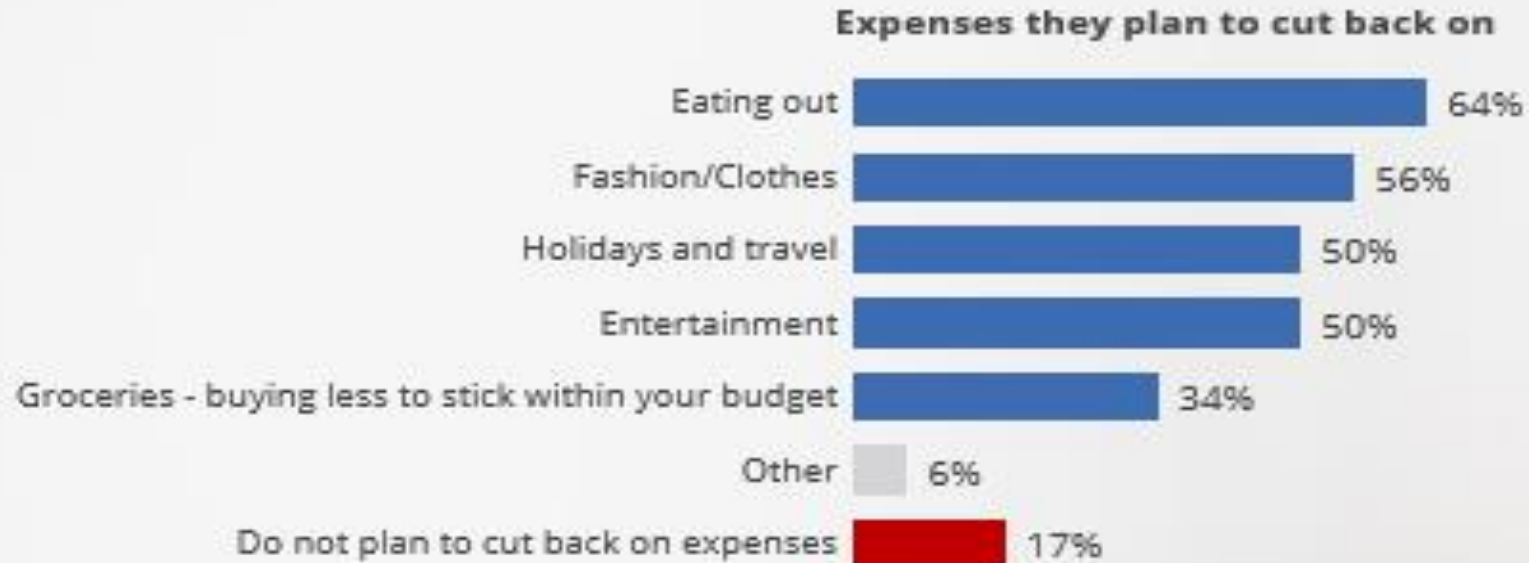


CAFII members' claims payouts have remained at the same very high level—it is complaints, not payouts, that have changed



Bottom line—CAFII and its members are committed to understanding and responding to these findings, and to always improving the customer experience

Economic Questions—Consumers are Cutting Back on Expenses



E7: With inflation and the current state of the economy, do you plan to cut back on any of the following expenses? Base: Total (N=1494)

Strategic Insights

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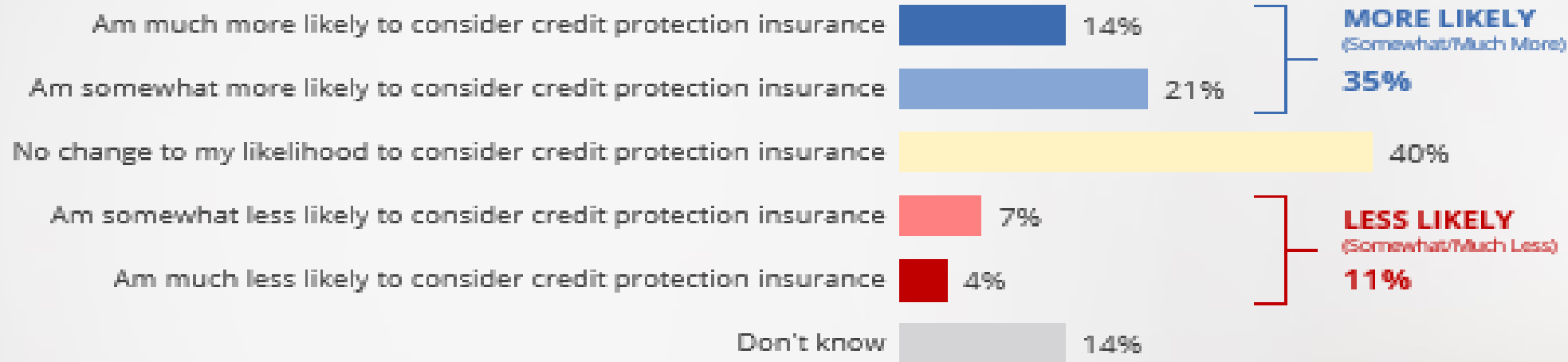
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Economic Questions—Consumers However want to Spend More on CPI Products

Impact of Economic Condition on Likelihood of Obtaining CPI



E2. With rising inflation, economic uncertainty and the possibility of a housing market correction, how do you feel about obtaining credit? Base: Total (N=1494)

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Other Research

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CAFII Commissioned a Study with Deloitte, Released in June 2022, on Best Practices in Digitization

Overall Takeaways

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

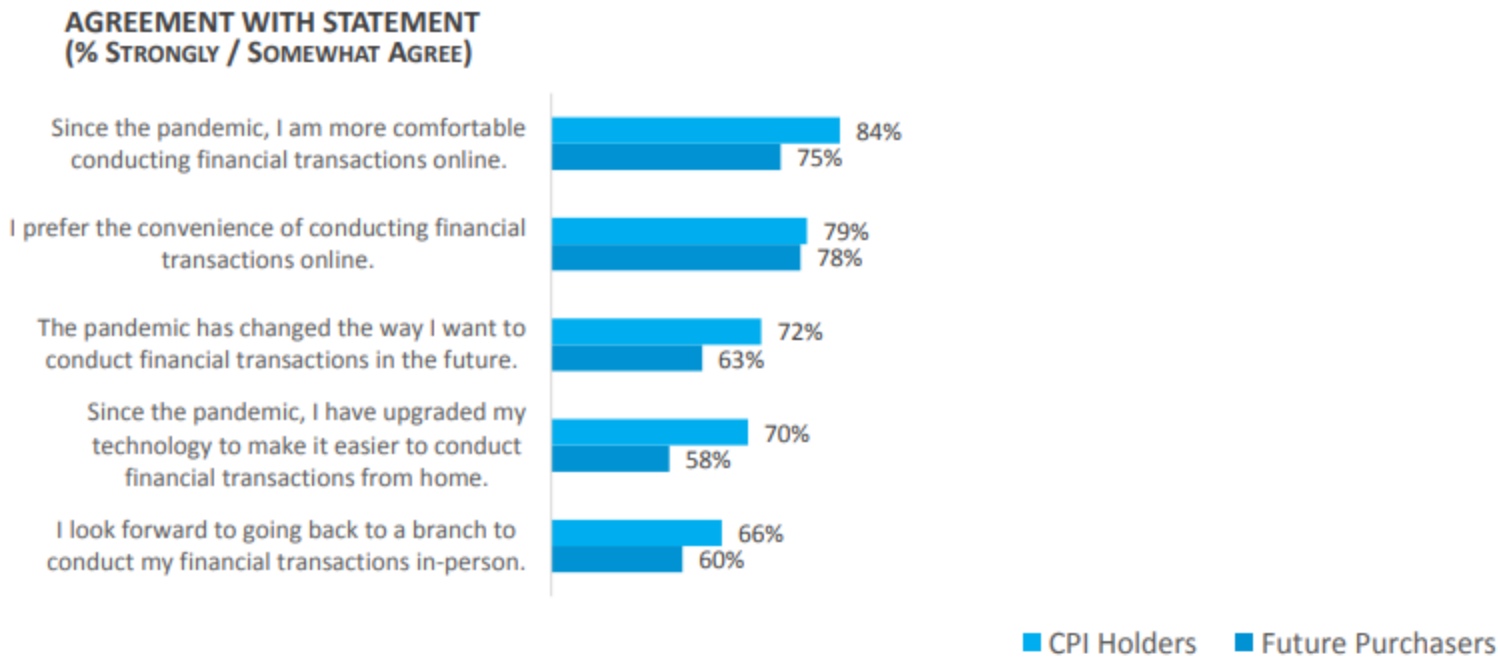
Survey Highlights

- 100%** Of Underwriters and Distributors indicated digitizing CPI as a strategic priority
- 80%** 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
- 57%** Of Distributors ranked their current digital maturity as being 'somewhat behind'
- 75%** Of CPI Underwriters and Distributors viewed alignment with lenders as a key opportunity to increase value delivered to customers
- 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

Source: Deloitte Digitizing CPI Survey

Deloitte.

CAFII Commissioned a Study (June 2021), with Pollara on CPI Holders Views on Digitization—Consumers Developed More Comfort with Using Digital Means to Interact with FIs



Q. To what extent do you agree or disagree with the following statements?
Q. Since the Covid-19 pandemic in Canada, would you say that you are more or less likely to conduct financial transactions such as arranging for loans or buying insurance in each of the following ways?
Base: Credit protection insurance holders (N=197) / Base: Future Purchasers (N=805)

Q & A / Dialogue

- Any questions on what we have shared in this presentation?
- CAFII extends a standing offer to collaborate with you, as a key insurance regulator or policy-maker, on regulatory or legislative initiatives or other issues of mutual interest. Are there any matters on the near-term horizon on which you might wish to call upon us for participation/collaboration?

Briefing Note

CAFII Board Meeting, 5 December 2023—Agenda Item 6(o)

Read Only Items - Update on Co-Executive Director Performance Review Process

Purpose of this Agenda Item—Read Only

To update the Board on the Co-Executive Director Performance Review Process.

Background Information

To update the Board on the Co-Executive Director Performance Review Process.

Recommendation / Direction Sought—Read Only

No action is required.

Attachments Included with this Agenda Item

One (1) attachment.

*Agenda Item 6 of
Board December 5/23*

**CAFII Policy On Association Executive Staff Annual Performance Review and
Consideration For Compensation Adjustment**

Date Prepared: November 30, 2020

Recommended By: Martin Boyle, Immediate Past-Board Secretary and EOC Chair

Date Presented To Board of Directors: December 1, 2020

Date Approved By Board of Directors:

Purpose of Policy

- to formally document CAFII's practices related to its process for the Executive Staff Annual Performance Review and Consideration for Compensation Adjustment; and
- to bring transparency, rigour, objectivity, and certainty to this process.

Executive Staff Annual Performance Review and Consideration For Compensation Adjustment

This policy shall apply to whomever the CAFII Board shall determine to be the Association's "Executive Staff."

The person in the CAFII Officer role of Board Secretary and Executive Operations Committee Chair (hereinafter referred to as "EOC Chair") shall be responsible for carrying out this policy, in consultation with the Board Chair and Board Vice-Chair.

In November/December each year, the EOC Chair shall gather appraisal input for an Executive Staff member's annual performance review from three sources:

- Board members' responses to a survey on the Executive Staff member's goals/objectives/Position Description-based performance within the period being evaluated. The EOC Chair shall develop the survey questions in consultation with the Executive Staff, and such questions will be subject to annual review and update;
- EOC members' responses to a survey on the Executive Staff member's goals/objectives/Position Description-based performance within the period being evaluated. The EOC Chair shall develop the survey questions in consultation with the Executive Staff, and such questions will be subject to annual review and update; and
- the Executive Staff member's self-evaluative goals/objectives/Position Description-based key performance accomplishments for the period being evaluated.

Taking those inputs into account, the EOC Chair shall prepare a written assessment of the Executive Staff member's performance in the period being evaluated, for use in a performance feedback discussion with the Executive Staff member and eventual placement into the individual's personnel file.

The EOC Chair shall also formulate a recommended compensation adjustment based on the Executive Staff member's performance, for discussion with the Board Chair and Board Vice-Chair.

Prior to conducting a performance feedback discussion with the Executive Staff member, the EOC Chair shall consult with the Board Chair and Board Vice-Chair on the written assessment of the Executive Staff member's performance in the period being evaluated; and on the EOC Chair's recommended compensation adjustment for that Executive Staff member. The EOC Chair shall take the views of the Board Chair and the Board Vice-Chair into account in finalizing the written assessment of the Executive Staff member's performance and any resulting compensation adjustment.

Following completion of the EOC Chair's consultation with the Board Chair and Board Vice-Chair, the EOC Chair shall schedule and conduct a performance feedback discussion with the Executive Staff member, in which the written assessment of Executive Staff member's performance in the period being evaluated and any resulting compensation adjustment shall be communicated and discussed.

Executive Staff Member's Right Of Appeal

In the event that an Executive Staff Member does not agree with the written assessment of his/her performance and/or the compensation adjustment offered, he or she has the right to appeal either or both of those performance evaluation components.

The Executive Staff member must file an appeal in writing – setting out grounds/rationale for the appeal -- to the Board Chair and Board Vice-Chair, for consideration. The Board Chair and Vice-Chair shall review the written appeal, in consultation with the EOC Chair, and make a decision on the appeal on its merits, which decision shall be final.

Timing Of Effect Of Any Compensation Adjustment Awarded

Any compensation adjustment awarded to a CAFII Executive Staff member shall take effect on January 1 of the year following the period for which performance has been evaluated. Adjustments may be made retroactive to this date if the performance review was not completed and finalized prior to the end of the calendar year.

Reporting/Accountability To Board of Directors

Following the completed execution of this *Executive Staff Annual Performance Review and Consideration For Compensation Adjustment Policy* each year, the EOC Chair – or in his/her absence, the Board Chair – shall report to the Board of Directors in an *in camera* session that this annual policy responsibility has been completed.